

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2007

TUESDAY, MARCH 28, 2006

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2:38 p.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.
Present: Senators Stevens, Bond, Shelby, Inouye, and Dorgan.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

OFFICE OF THE SECRETARY

STATEMENTS OF:

HON. FRANCIS J. HARVEY, SECRETARY OF THE ARMY

GENERAL PETER J. SCHOOMAKER, CHIEF OF STAFF, UNITED STATES ARMY

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Good afternoon, Mr. Secretary, General. We appreciate you bringing these young heroes to meet with us. We're happy to see them back, and pleased to see all of you here today.

Our subcommittee today will receive testimony from the Secretary of the Army and the Army Chief of Staff. Secretary Harvey and General Schoomaker, we do welcome you back to our subcommittee, and I look forward to your testimony.

As we meet today, we're still a Nation at war. Over 110,000 Army soldiers are serving in harm's way in Afghanistan and Iraq. Our men and women in uniform are performing superbly under your challenging circumstances. And we're proud of our Army and are grateful for their service to the country, as I'm sure you are, Mr. Secretary and Commanding General.

This appropriations cycle poses a number of important budgetary issues that will receive considerable debate and attention over the next few months. The budgetary challenges facing the Army include sustaining current operations, recruiting and retaining an All Volunteer Force, recapitalizing damaged and destroyed equipment, restructuring into a modular force, reposturing our forces around the globe, and fielding new technologies to the warfighter. I am told we have men and women in uniform in 146 nations as we speak today.

A critical tool for addressing these issues is the Army's fiscal year 2007 budget proposal, which totals \$111.8 billion. This represents a \$12.7 billion increase over last year's enacted level. In addition, supplementals continue to increase Army spending accounts to pay for operations in Iraq and Afghanistan, as well as emerging equipment and soldier protection needs. The bridge supplement enacted just 3 months ago provided \$31.1 billion for the Army. The current supplemental under consideration includes \$34.5 billion for the service, and we're anticipating another supplemental request in the near future to help pay for operations during the first few months of fiscal year 2007.

The large question is, Can we sustain this level of spending? History tells us we may not be able to do so.

Mr. Secretary, General Schoomaker, the Army's going to be faced with many difficult choices in the near future. This afternoon, we're looking forward to hearing about your budget priorities and how you're positioning our forces for success today, as well as tomorrow.

Let me turn to our co-chairman for his statement. We're proud and honored to have you with us.

STATEMENT OF SENATOR DANIEL K. INOUE

Senator INOUE. I thank you very much, Mr. Chairman. And I join you in welcoming our Secretary, as well as the Chief of Staff, General Schoomaker. And I wish to join my chairman in welcoming our heroes. Thank you very much for your service.

Last year, we noted that the Army was in the midst of a period of dramatic change while simultaneously sustaining a high level of combat operations. We continue on this path as you transform the Army with new brigades, including the Stryker, while maintaining a large force in Iraq and Afghanistan. And as the chairman noted, the cost of these efforts, both in stress on the force and monetary resources, is understandably higher. One might even question whether it remains affordable.

There is great concern that the pace of overseas operations, coupled with the upheaval of transforming the Army, is placing a very heavy burden on our volunteer force. We are concerned how these two changes will impact recruiting and retention, and impact the cost of maintaining this force.

In the supplemental request presently before the subcommittee, we find a request for \$3.4 billion to support the modular brigades, and an additional \$5 billion requested for fiscal year 2007. And we have been advised that there are shortfalls in your fiscal year 2007 request for recruiting and retention activities. At the same time, there has been much discussion about how the National Guard fits into the Army plans, and whether changes in the force structure or force totals are advisable. So, I believe it is obvious that the request before the subcommittee contains controversial matters which require our attention.

I'm equally positive that this subcommittee will maintain its strong support of the Army and the men and women in uniform, especially during these trying times. So, Mr. Chairman, I look forward to listening to our witnesses discuss the many challenges facing the Army.

Thank you very much, sir.

Senator STEVENS. Well, thank you.
 Senator Bond, you have a statement?

STATEMENT OF SENATOR CHRISTOPHER S. BOND

Senator BOND. Mr. Chairman, I have a lengthy statement that I will not give. I'll give a few highlights of it, and anybody who wants to, we'll have it in the record, where it can be read.
 [The statement follows:]

PREPARED STATEMENT OF SENATOR CHRISTOPHER S. BOND

Secretary Harvey, General Schoomaker, I join with Chairman Stevens and Senator Inouye in recognizing the tremendous responsibilities you have been given in leading our soldiers in a time of intense conflict where the stakes could not be higher for our troops or our Nation.

I want to comment briefly on three issues that impact Army readiness.

It is my understanding that the Army procurement account currently stands at 16 percent of the Pentagon's overall budget which is the lowest amount among your sister services. Resources are always scarce and especially so in today's environment—so tough choices remain for you and this committee as we sort through the Army's and the Pentagon's overall budget. I mention this because the Guard and reserve accounts are sometimes adjusted in an effort to identify savings. The problem arises when accounts are impacted without the full and substantive input of Guard and reserve leaders—your Total Force partners. I believe you ran into this head-on with the issue of National Guard force structure before the ink was even dry on the Administration's fiscal year 2007 budget.

I join with my National Guard Caucus co-chair, Senator Leahy, in applauding you for committing to fund fully the Army National Guard at an end-strength of 350,000 personnel. If we learned one important lesson, it is that the National Guard Bureau is not the only member of the Total Force team. The Nation's Governors and their Adjutant's General also have a vital role to play in the defense of the Nation, both at home and abroad. If we fail to give our Guard leaders a substantive role in the decision making process you can rest assured that the Congress will hear about it and is prepared to act decisively when core programs are threatened.

This morning I was advised by Lieutenant General's Blum and Vaughn that Army National Guard end-strength will reach 337,000 by the end of the month and will reach the authorized end-strength of 350,000 by this Christmas at the earliest and a year from now at the latest. Betting against the Guard's ability to achieve its fully authorized end-strength might be akin to betting against the George Mason University Patriots in this year's NCAA tournament so I'd advise you to watch the Guard's recruiting numbers closely so that you can ensure their accounts are funded in a manner commensurate with their end-strength.

Late in December, Senator Leahy and I were successful in convincing our Chairman and Ranking Member to add \$900 million to Guard accounts for homeland response related equipment. You will recall that the Guard was in some cases hindered from responding to all the calls it received for assistance—not because our Guard forces were not willing but because they did not have the necessary equipment. I hope, and trust, that the \$900 million in funds the Congress added specifically for Guard equipment will eventually reach the right Guard accounts and ask that you provide my staff with an update on the status of those funds at your earliest convenience.

On the topic of Army Transformation and Modernization, I am encouraged by the Army's insistence on sustaining the funding profile for Future Combat Systems. As the Congress reviews the relevance of specific programs and defense accounts it is imperative that Army and its industry partners continue to provide the Congress with updates on the overall status of the program to include both successes, challenges and failures. The level of sophistication and technology challenges resident within Future Combat Systems development is not without inherent risk. Yet failure to succeed in this endeavor is not an option because as we ask more from our soldiers it is imperative that we provide them with the most relevant, reliable and efficient materials for waging war on our enemies as possible. Future Combat Systems will translate into the decisive defeat of enemies and ensure that more of our soldiers return home. That is a goal worth pursuing.

Finally, I have a question about Airlift and Logistical Support. The reason this is an area of concern for me is because portions of the C-17 are made in my home state of Missouri which is why I know firsthand about the issue.

As you are fully aware, the Army is heavily dependent upon Air Force and the C-17 for its strategic lift. I am told that on Monday of last week in Iraq, C-17s achieved the millionth flying hour in service—which is equal to a cargo jet flying every minute of every day nonstop for more than 114 years. Assets like the C-17 are being used at 170 percent of what was anticipated and they are carrying 80 percent of the cargo in support of the war on terror. Since September 11, 2001, the C-17 has flown 358,000 hours, or 59 percent more than originally scheduled, partly because of the wars in Afghanistan and Iraq, the Air Force said in an article published March 6 2006.

With the reliance upon the C-17 so apparent I am concerned that the Pentagon's decision to limit the size of the C-17 fleet is premature. Once we close the line, Army's options for airlift will be severely constrained because the costs for reopening the line are prohibitive. I cite a Commerce Department report that projects the cost for closing and then reopening the line at \$4.46 billion. With national security policy, and particularly Army and Marines forces, dependant upon the principles of rapid deployment and force projection we cannot afford to cut corners and pursue logistical airlift capabilities on the cheap.

It was reported in the November 2005 edition of National Defense that "The Army did away with the C-130 transportability requirement and, instead, stipulated that three FCS vehicles must fit in a C-17 heavy lift cargo aircraft. This would allow for a 24-ton FCS."

The article further explains that concerns over the weight of FCS vehicles under development precludes them from being transported realistically by the smaller C-130 family of aircraft because of the need to "strip down" these vehicles so they will fit into the smaller C-130 aircraft. I can site other articles that mirror the concern that the Pentagon's plan to close down C-17 production may be woefully premature.

This leads me to my first question.

Based on the Army's dependance upon airlift for rapid mobility, the high usage rate of the C-17, and the ability this platform has over other logistical aircraft to transport the FCS family of vehicles to remote areas not accessible by other aircraft—are you confident that the Army has sufficient C-17 assets to meet its future logistical support needs?

I have one additional question that regards what I understand is the Army's desire to outsource its lodging activities but in the interest of time I will submit the question for the record and ask that you get back to me.

Senator BOND. Mr. Secretary and General, I join with the chairman and Senator Inouye and recognize the tremendous responsibilities you've been giving, leading our soldiers. And we welcome those brave men and women back who have been overseas. I'm proud to say that my son also has just returned, last month, from a year in Fallujah.

It's my understanding that the Army procurement account currently stands at 16 percent of the Pentagon's overall budget, the lowest amount among your sister services. As resources are scarce, especially so in today's environment, you have tough choices facing you, and facing this subcommittee. I mention this, because the Guard and Reserve accounts are sometimes adjusted in an effort to identify savings. And this causes some problems. It causes some problems with Governors, with adjutants general, and with, oh, about 80 of us in the Senate. And I was pleased to be able to join with Senator Leahy and applaud you for committing to full funding of the Army National Guard at an end strength of 350,000 personnel. And we look forward to working with you on Guard issues.

On a topic of Army transformation and modernization, I am encouraged by the Army's insistence on sustaining the funding profile for future combat systems (FCS). And it's imperative that the Army's industry partners continue to provide Congress with updates, but it is certainly a very appealing and possibly lifesaving effect-enhancing effort.

Finally, about the C-17, you know—we all know how heavily dependent the Army is upon the Air Force and the C-17 for strategic

lift. I'm told that, on Monday of last week in Iraq, C-17s achieved the millionth flying hour in service, equal to a cargo jet flying every minute of every day nonstop for more than 114 years. They're being used at about 170 percent of what was anticipated. They are carrying 80 percent of the cargo in support of the war on terror.

With the reliance upon the C-17 so apparent, and I—as an amateur, as an outsider, I'm very impressed with what the C-17 can do, but I'm concerned that the Pentagon's decision to limit the size of the C-17 fleet is premature. If we were to close the line, the Army's options for airlift would be severely constrained, because the costs for reopening the line are prohibitive, and there is no other airlift that I believe gives you the capacity that you have there. And I will look forward to asking a question about that at the appropriate time.

Thank you.

Senator STEVENS. Thank you.

Senator Dorgan.

STATEMENT OF SENATOR BYRON L. DORGAN

Senator DORGAN. Mr. Chairman, thank you very much. Let me thank those who are here to testify, Secretary Harvey, General Schoomaker, and others.

I do want to just mention—I don't know that I'll be able to stay for the entire hearing, but I do want to mention one issue with respect to Guard and Reserves and the length of deployment. I think that, you know, a substantial number of Guard and Reserve have been deployed in and out of the Iraq/Afghanistan theater. And it appears to me now that when active duty folks are deployed, it's generally a 12-month period. I think the marines, it's 7 months. But the Guard in our State, when they are deployed, in—generally speaking, they are gone 16 months—by the time they leave, go through the original base they're going to be assigned to and then get some training, then sent overseas, it's about a 16-month deployment. And these are citizen soldiers who have jobs, homes, and families. And it's sort of a paradox that they would have the longest deployment, because the Guard and Reserve, you would expect, would have the shorter deployments. So, I think my expectation is, that's going to have, and has had, a significant impact on retention. And my hope is that you might address some of that.

I want to thank you, who represent America's soldiers. I think all of us on this subcommittee are determined that whatever is necessary for them to carry out their mission and to meet their responsibilities, we want to provide. We in this country, do not ever want to be in a circumstance where we would ask soldiers to go abroad and then not provide them everything that is absolutely necessary for them to do what we ask them to do for our country.

So, let me thank you and hope, on behalf of this subcommittee, you will thank the troops, as well.

Mr. Chairman, thank you very much.

Senator STEVENS. Thank you.

Mr. Secretary, we'd be pleased to have your statement. Both of your statements, we'll print in the record as though read. We leave it to you how long—how much time you take.

Mr. HARVEY. Mr. Chairman, Senator Inouye, and distinguished members of the subcommittee, General Schoomaker and I appreciate the opportunity to be here today and to offer testimony on the posture of the United States Army.

America's Army is the world's preeminent land power with a quality force of over 1 million soldiers supported by nearly 240,000 Department of the Army civilians. An Army of Active, Guard, and Reserve soldiers deployed, forward stationed overseas, are securing the homeland, soldiers from every State, soldiers from every corner of this country serving the people of the United States with incredible honor and distinction.

We provided the subcommittee the 2006 Army posture statement as our written statement, and I would like to take this opportunity to briefly highlight some of the Army's key initiatives and programs.

General Schoomaker will also make an oral statement at the conclusion of my remarks. I know that this subcommittee, like me, appreciates the insight and unique perspective that General Schoomaker provides from his distinguished career of service to the Nation as a soldier.

The soldier remains the centerpiece of America's Army. General Schoomaker will introduce to you three of those soldiers, here with us today, during his remarks.

The 2006 Army posture statement is a succinct summary of the Army plan, which addresses the challenges of today, while preparing us for those we will face tomorrow. The Army plan is a comprehensive, fully integrated, strategic and operational plan which provides the roadmap to, first, build a more capable and relevant Army for the 21st century through transformation and modernization, and, second, sustain the full range of the Army's current commitments, particularly fighting and winning the global war on terror (GWOT).

ARMY MODULAR FORCE

On 9/11, the Army's operational capabilities lacked the breadth and depth for the long war. We appreciate the continuing support of the Congress as the Army shifts its center of gravity to provide a broader portfolio of operational capabilities to meet the complex challenges of the 21st century security environment, particularly irregular, asymmetric warfare. For example, we have already completed the first 2 years of converting the operational Army to a modular brigade-based combat force. Our objective is 70 brigade combat teams (BCTs), or, as we like to call them, BCTs, and 211 support brigades. This is an increase of 46 percent in the number of BCTs over the current force. To date, we have completed the conversion or activation of 19 BCTs to the modular design, or approximately 27 percent toward the objective of 70 BCTs. In addition, we started the conversion or activation of another 18.

Even though the modular force is not complete, it has already increased our operational capabilities and established the foundation for a rotational force generation model that is structured, predictable, and provides more combat-ready units, while reducing stress on the force.

In order to sustain the current mission and continue to posture for future commitments, the Army needs the full support of the Congress for the Army plan and the Army's request in the 2007 Presidential budget.

FUTURE COMBAT SYSTEMS

Additionally, beyond the importance of maintaining full funding for the modular force transformation, we also want to emphasize the importance of full funding for the future combat systems program. This is a key modernization program for the Army, and is really the first major ground force modernization effort in over four decades. Although the word "future" is in the program title, this is not a program that only exists on PowerPoint slides. FCS is becoming a reality today, and spinouts of FCS technology to the current modular forces will begin in 2008.

Simply put, the FCS program is the fastest and surest way to modernize the Army. Furthermore, it is the only way to effectively modernize the Army in an integrated manner.

The FCS program and the modular force initiative (MFI), in conjunction with the full spectrum of other programs in the area of research and development (R&D), acquisition, training, leadership development, advanced tactics, techniques, and procedures, business transformation, as well as the growth of the operational Army, will ensure that our overall capability to conduct both traditional and nontraditional operations, including the global war on terrorism, will continuously and methodically increase and improve as we go forward in the uncertain and unpredictable 21st century.

ALL VOLUNTEER FORCE

We also need to draw your attention to the importance of our efforts, with your support, to sustain an All Volunteer Force, including recruiting, retention, and providing a quality of life for our soldiers that matches the quality of their service. This is the first time in our modern history that the Nation has tested the concept of an All Volunteer Force in a prolonged war. Full funding and support of Army programs in this way is critical to sustain the finest Army in the world.

Finally, I want to emphasize that the Army plan is a total plan to transform the entire Army—Active, Guard, and Reserve. 2005 reaffirmed to the people of the United States that we are truly an Army of one. Simply put, the Army could not perform full-spectrum operations without the tremendous contributions of the Guard and Reserve. For example, last year the Army National Guard had 10 brigade combat teams and a division headquarters serving in Iraq, Afghanistan, and the Balkans for at least a portion of the year. Despite this overseas commitment, the National Guard was still capable of responding with 42,000 soldiers in a little over a week to support Hurricane Katrina relief operations. And, I might add, there were still tens of thousands more Guard and Army Reserve soldiers available, if needed.

Based on the insights of 9/11, homeland defense operations, hurricane recovery operations, and lessons learned from the global war on terror, the Army plan shifts the focus of the Reserve component from a strategic Reserve to an operational force and rebalances the

Reserve component's force structure to the operational skills they need for the 21st century security environment. For example, in the current plan the Army National Guard will continue to maintain a total of 106 brigades, which are beginning to be transformed to the same modular design as the Active Army. However, we are changing the organizational mix of brigade combat teams and support brigades based on the capabilities needed to conduct both their national defense, as well as their State, missions. In essence, the Army National Guard and the Army Reserve are transforming and modernizing from an underresourced standby force to fully equipped, manned, and trained operational-ready units.

Let me close, and give General Schoomaker an opportunity to address the subcommittee, by saying that I remain confident that with the continued strong support of the Congress, America's Army can accomplish its mission and reach our strategic goal of being relevant and ready both today and tomorrow.

Thank you.

Senator STEVENS. Thank you, sir.

[The statement follows:]

PREPARED STATEMENT OF FRANCIS J. HARVEY AND GENERAL PETER J. SCHOOMAKER

FEBRUARY 10, 2006.

We have the confidence of the Nation as we continue to engage in a long struggle against global terrorism and the conditions that give it life and sustain it. Over a half-million active and reserve Soldiers have served overseas in the war on terrorism. More than 600,000 Soldiers are on active duty today. Almost half of them are deployed, serving in 120 countries worldwide in defense of United States interests.

While fighting, we are preparing Soldiers and leaders for the challenges that they will face. We continue to transform, to modernize, and to realign our global force posture. Our Army continues to evolve from a force dependent on divisions to deter and to wage war against traditional adversaries, to a force dependent on modular brigades, specially designed for the full range of non-traditional adversaries and challenges it will face.

With the support of the President, the Congress, and the Secretary of Defense, we have developed and resourced a fully integrated plan to best serve the Nation, to deal with the challenges we will face today and tomorrow, and to sustain our volunteer Soldiers in this time of war.

To execute this plan, we are depending upon continued Congressional leadership in three areas:

- Obtaining legislative authorities to assure predictable access to our Army National Guard and Army Reserve Soldiers who have become, by necessity, our operational rather than our strategic reserve;
- Expediting wartime acquisition processes needed to equip and protect our Soldiers; and
- Of greatest importance, maintaining the support of the American people whom we serve.

To continue to meet the needs of the Combatant Commanders and the Nation, the Army will require the full support of the resources requested in the base budget and in supplemental appropriations.

FRANCIS J. HARVEY,
Secretary of the Army.

PETER J. SCHOOMAKER,
General, United States Army, Chief of Staff.

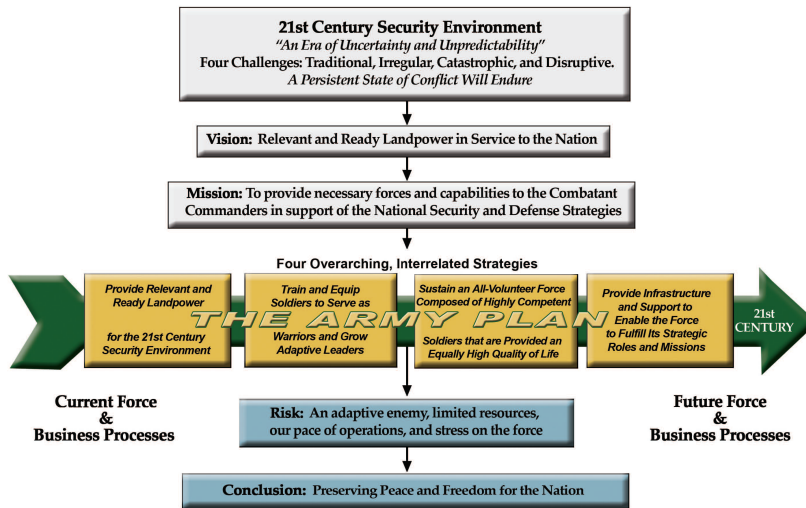
PURPOSE AND ORGANIZATION OF THE 2006 ARMY POSTURE STATEMENT

The 2006 Army Posture Statement describes how the Army is executing The Army Plan to meet the challenges of today and to be better prepared for those we will face tomorrow. Focusing on the Soldier, our centerpiece, the Posture Statement summarizes key implications of the 21st century security environment. This discus-

sion provides the context to examine the Army Vision to accomplish our enduring, constitutionally-derived mission.

The Army Plan consists of four overarching, interrelated strategies, focusing on people, forces, training and infrastructure. We explain our initiatives, accomplishments, and compelling needs as they relate to each of these strategies. We describe transformation, not as an end in itself; but rather, how it has helped us to accomplish our mission and to realize our vision.

We conclude with a discussion of risk to underscore our compelling needs.

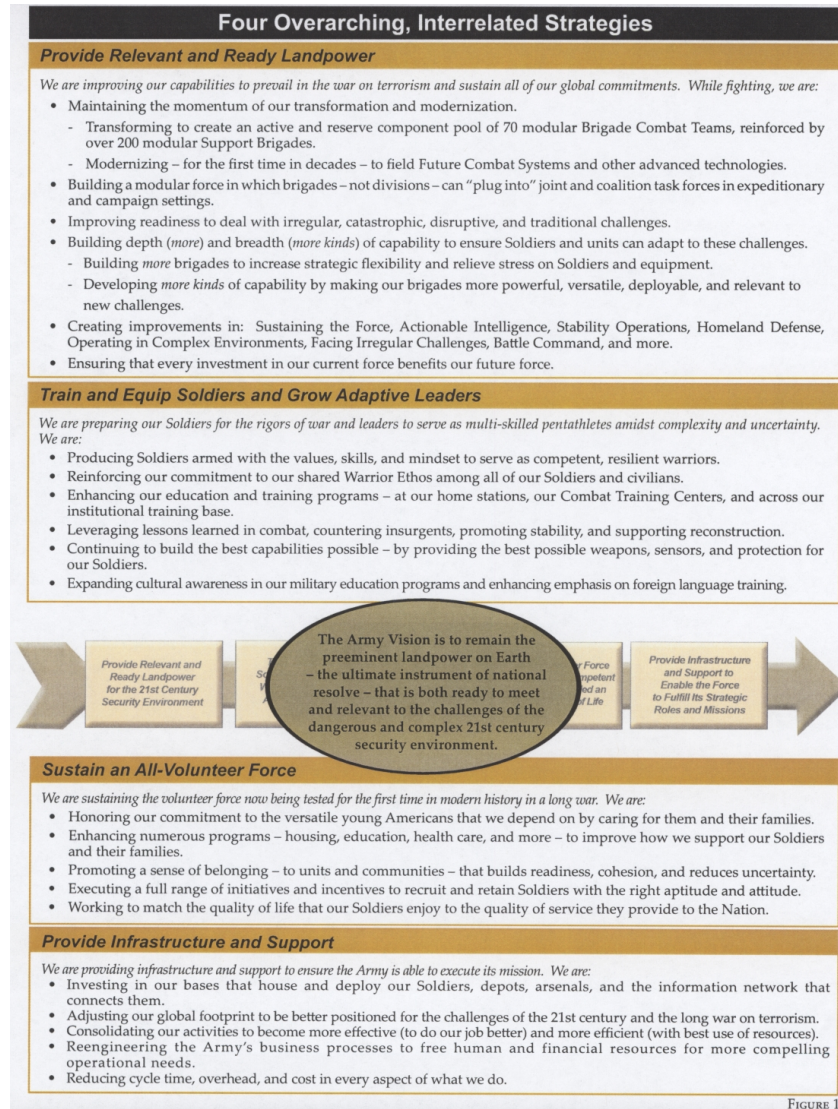


This Posture Statement is designed to serve as a primary portal to learn about the Army. A listing of helpful Army-related websites and a glossary of acronyms are also provided.

2006 ARMY POSTURE STATEMENT EXECUTIVE SUMMARY

Soldiers are making enormous contributions and sacrifices while serving at the forefront of a long struggle of continuous, evolving conflict. Their presence has enabled historic elections in Afghanistan and Iraq, and is setting the conditions for democratic institutions to take hold. Our Soldiers are also preventing attacks on our Nation and responding to natural disasters at home and abroad, while sustaining the full range of America's global commitments. At the same time, to be ready for the challenges we face today and tomorrow, we are accelerating our plan to transform and modernize.

We are executing The Army Plan to accomplish our mission and to realize our vision: to remain the preeminent landpower on Earth—the ultimate instrument of national resolve—that is both ready to meet and relevant to the challenges of the dangerous and complex 21st century security environment. Our plan consists of four overarching, interrelated strategies (Figure 1).



This fully integrated plan is driving change at an unprecedented pace. We are becoming a more powerful, more flexible, and more deployable force with a broad set of capabilities to deal with the full spectrum of challenges we will face. Our improvements will enable our Soldiers to sustain the full range of global commitments which extend beyond today’s current theaters of war. We are improving our ability to operate with joint and coalition partners and to perform nontraditional operations. We are also developing better ways to manage increasing demands for forces and relieve stress on Soldiers, their families, and civilian workers to sustain our All-Volunteer force.

Four key ideas underpin our planning:

—First, we remain committed to producing units that are ready for the challenges they will face and to overcoming years of underfunding prior to the events of 9/11. We have received unprecedented support to “buy back” much needed capability. We cannot, however, fool ourselves by maintaining large numbers of

forces on paper that, in reality, lack the people, equipment, training, and support needed to accomplish the missions that they will be assigned. We are determined to support our Soldiers and their families with an improved quality of life that matches the high quality of service they perform for America.

- Second, we recognize that intellectual change precedes physical change. For this reason, we are developing qualities in our leaders, our people, and our forces to enable them to respond effectively to what they will face. We describe the leaders we are creating as “pentathletes,” whose versatility and athleticism—qualities that reflect the essence of our Army—will enable them to learn and adapt in ambiguous situations in a constantly evolving environment. We have undertaken a major review of how we train, educate, assign, and develop our military and civilian leaders to ensure that our Soldiers are well-led and well-supported as they deal with complexity and uncertainty for the foreseeable future.
- Third, reinforced by the American military experience of the 20th century, we believe that our Soldiers’ effectiveness depends upon a national commitment to recruit, train, and support them properly. This commitment must be underwritten by consistent investment in their equipment and infrastructure. We remain acutely aware of fiscal constraints; however, our duty to do what is right for our Soldiers, their families, and the Nation remains firm and unwavering.
- Fourth, we remember our position at the start of the long struggle in which we are engaged. After years of insufficient modernization investments, many of our units were underequipped and not immediately ready for deployment, especially in our reserve units. To meet Combatant Commanders’ wartime needs, we pooled equipment from across the force to equip those Soldiers deploying into harm’s way. This increased risk in other capabilities, as seen in the Army National Guard during our national response to Hurricanes Katrina and Rita. With help from the President, the Congress, and the Department of Defense through supplemental appropriations, we have addressed many of our equipment shortfalls. We still have much to accomplish to ensure force readiness and to mitigate risk.

To sustain the current mission, posture for future commitments, and maintain risk at acceptable wartime levels, the Army needs:

- Full funding of the Army request in the 2007 President’s Budget and special consideration, in light of wartime demands, for avoiding any reductions to the Army’s budget and program. In addition, supplemental funding is required for combat and contingency operations and to continue to reset, repair, recapitalize, and replace battle losses of equipment for several years beyond major deployments. Supplemental funding is needed to overcome the stress on equipment resulting from sustained combat operations in harsh environments. These resources will ensure that the Army is fully manned, trained, and equipped to achieve victory in the war on terrorism. These resources will also enable the Army to maintain the momentum of key programs, while accelerating transformation.
- Funding to increase Army capabilities and overall capacity as well as support for the legislative authorities and programs needed to assure access to our reserve components—who, by necessity, have become an operational vice a strategic reserve. We must achieve a proper balance of capabilities and skills among our active and reserve forces and continue to build high-quality units to increase capability and ease the strain on our deployed Soldiers.
- Support and funding to achieve critical recruiting and retention goals needed to grow operational forces. Meeting these goals for our active and reserve Soldiers sustains the quality and effectiveness of our All-Volunteer force.
- Funding for the Future Combat Systems (FCS) program—to enhance current force capabilities today with “spin outs” of available technology—and accelerate more than 300 other modernization programs. Our most critical investment program, FCS will be the Army’s first major modernization in over 30 years and will better prepare and protect Soldiers for current and future threats. These capabilities will directly benefit our active and reserve components, all United Statesground forces, and our allies that support ground campaigns.
- Full funding to maintain momentum in building a rotational pool of 70 Brigade Combat Teams (BCTs) and more than 200 modular Support Brigades and headquarters. Already well under way, our transformation to become a fully modular force is preparing our Soldiers to conduct sustained operations of the type we see today. In addition, our transformation is increasing the depth and breadth of our capabilities to prepare our Soldiers for tomorrow’s challenges, particularly as we evolve to maintain overseas presence with rotational units.

- Full funding for Army installations and support to execute a carefully synchronized plan to achieve a new global basing posture, while fulfilling the requirements of the National Military Strategy. This plan will make full use of the resources currently apportioned and projected to be recouped through consolidation and closings. Unanticipated costs associated with environmental remediation, renovation, construction, and other areas, may require additional resources in future years (a situation that will require continuous reevaluation). Full funding and continued support for Army installations and quality-of-life programs is required to sustain the All-Volunteer force, now being tested for the first time in a prolonged war.
- Support for funding and authorities for Army Business Transformation initiatives to achieve targeted efficiencies through management reform, Institutional Army adaptation, and reengineered business practices. These initiatives will free human and financial resources for more compelling operational needs and accelerate other aspects of our transformation.

A complete, detailed list of our Compelling Needs for 2007 is provided in Figure 2.

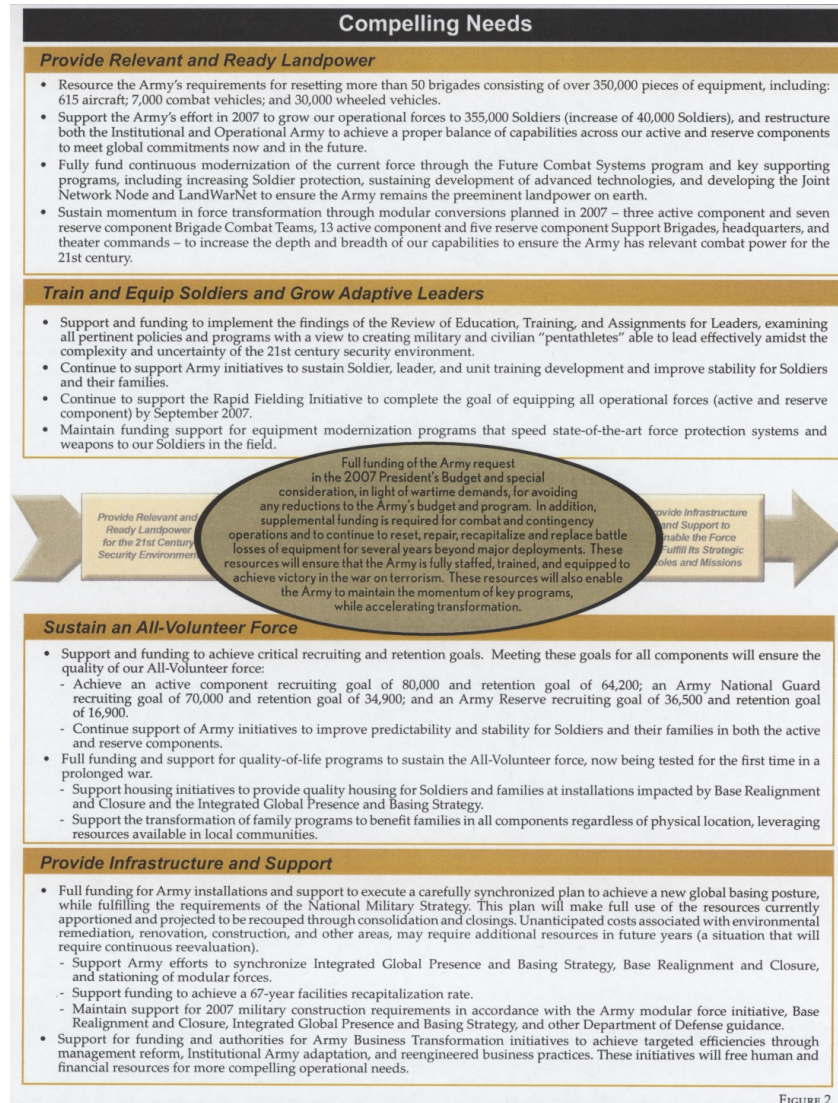


FIGURE 2

2007 will be a pivotal year for the Army. We will continue to conduct operations while transforming the force, its global infrastructure, and all of our supporting business processes. The resources provided to the Army in 2007 and beyond will enable the Army to maintain the momentum of key programs, while accelerating aspects of our transformation. Moreover, this funding will determine our ability to continue to accomplish our mission and to be postured to meet future commitments.

21ST CENTURY SECURITY ENVIRONMENT: AN ERA OF UNCERTAINTY AND UNPREDICTABILITY

In the four years since the terrorist attacks on the Nation, the international security environment has changed dramatically. As a result, military commitments and especially the demand for Soldiers have increased both at home and abroad. With the support of the President, the Congress, and the Secretary of Defense, we have

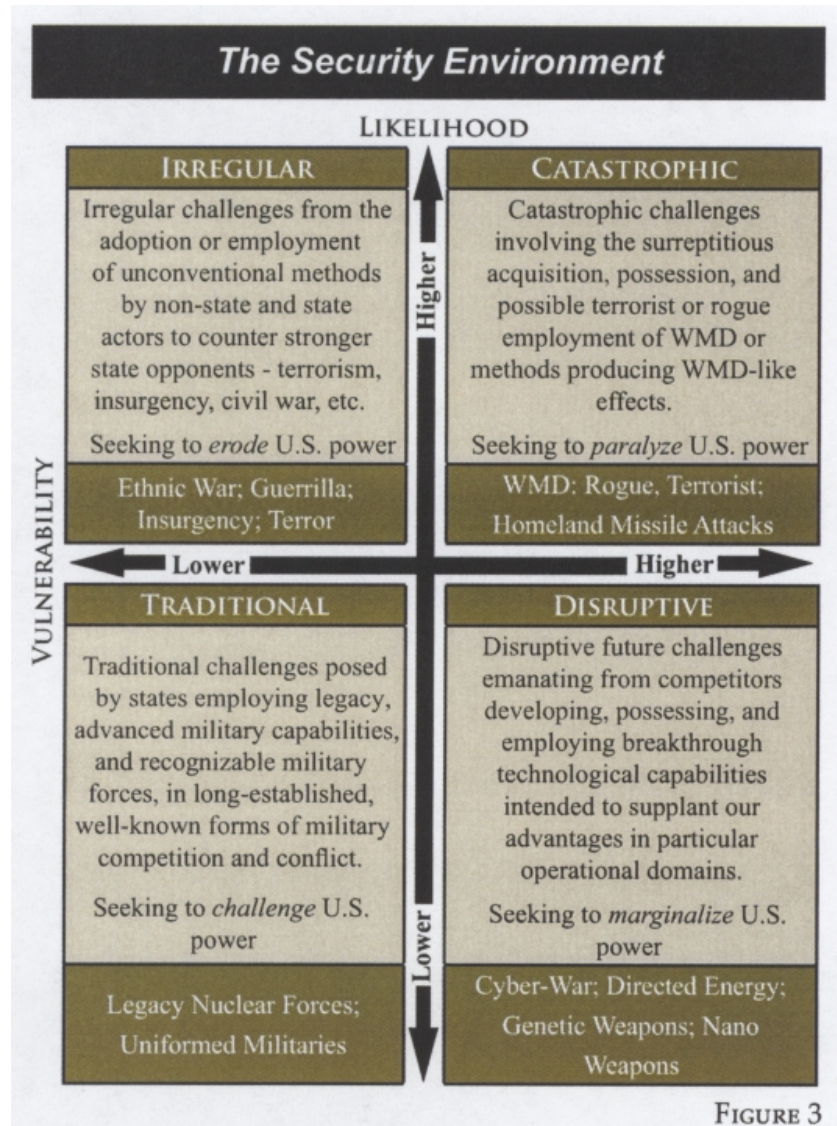
increased our capabilities to deal with the challenges we are facing today and accelerated our preparation for those we will face tomorrow.

Complex Security Challenges

The National Defense Strategy identifies an array of traditional, irregular, catastrophic, and disruptive challenges that pose threats to the Nation (Figure 3). These threats are becoming increasingly complex. We no longer face only conventional armies who operate within clearly established political boundaries. In addition, we will face enemies that employ irregular tactics, terror, and asymmetric warfare. These enemies will be increasingly transnational and dispersed.

Fueled by ideologies that oppose our Nation's bedrock values, al-Qaeda and other enemies are committed to reducing American global presence and to destroying our society. They have publicly stated their goal: to gain control in the Islamic world by establishing a unified caliphate, stretching from North Africa to Indonesia.

We are engaged in a long struggle against adversaries who are ruthless and unconstrained in achieving their ends. Our previous conceptions of security, deterrence, intelligence, and warning do not adequately address the threats we now face. To defeat our adversaries, who will be neither deterred by nuclear or conventional weapons nor defeated in battles with decisive outcomes, we must remain vigilant in employing all forms of national and international power—diplomatic, informational, military, and economic—in a concerted, integrated manner.



Increasing Complexity

The security environment in which our Soldiers will operate is characterized by challenges and uncertainties, including:

- Progress in the war on terrorism;
- The pace of democratic reform in the Middle East and elsewhere, especially in fledgling democracies such as Iraq, Afghanistan and the emerging Palestinian State;
- The ability of existing governments to perform traditional state functions and deny safe haven to terrorist groups;
- Progress in controlling the proliferation of weapons of mass destruction to state and nonstate actors; and
- Decisions in four major areas:
 - Defense priorities amidst growing fiscal pressures;

- Roles and missions of the Armed Forces as defined in the Quadrennial Defense Review;
- Role of the Armed Forces in defense support to civil authorities; and
- Pace of implementation of Base Realignment and Closure (BRAC) legislation and Integrated Global Presence and Basing Strategy (IGPBS) plans.

Competing Fiscal Priorities

The Army will remain engaged around the globe, while operating in a constrained fiscal environment. This will continue to limit the resources available to accomplish our missions.

National Budget Trends

The Office of the Secretary of Defense, Comptroller, projects 2007 Defense spending will be 3.9 percent of Gross Domestic Product (GDP), continuing a downward trend (Figure 4). Defense resources have not kept pace with growth in GDP.

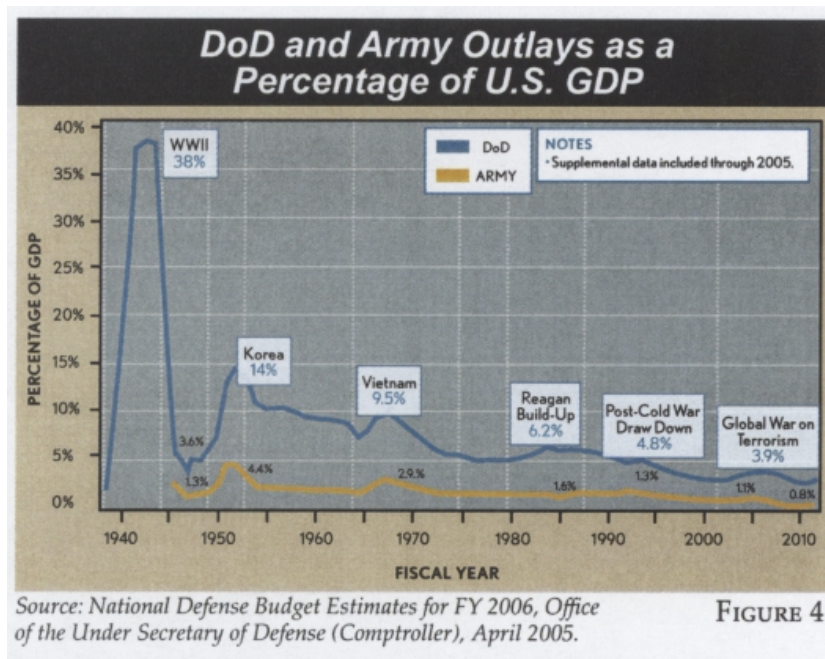
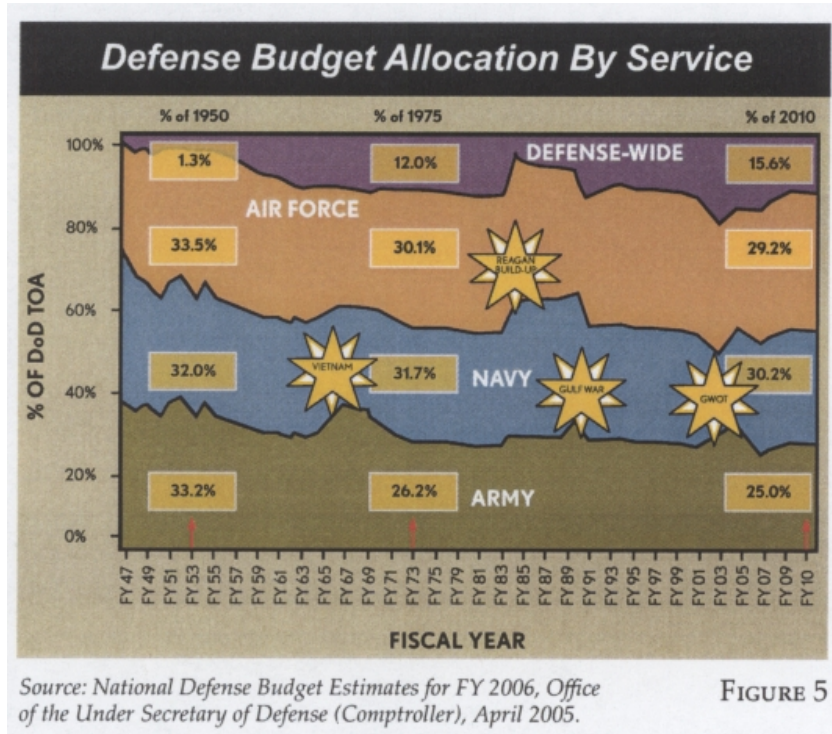


FIGURE 4

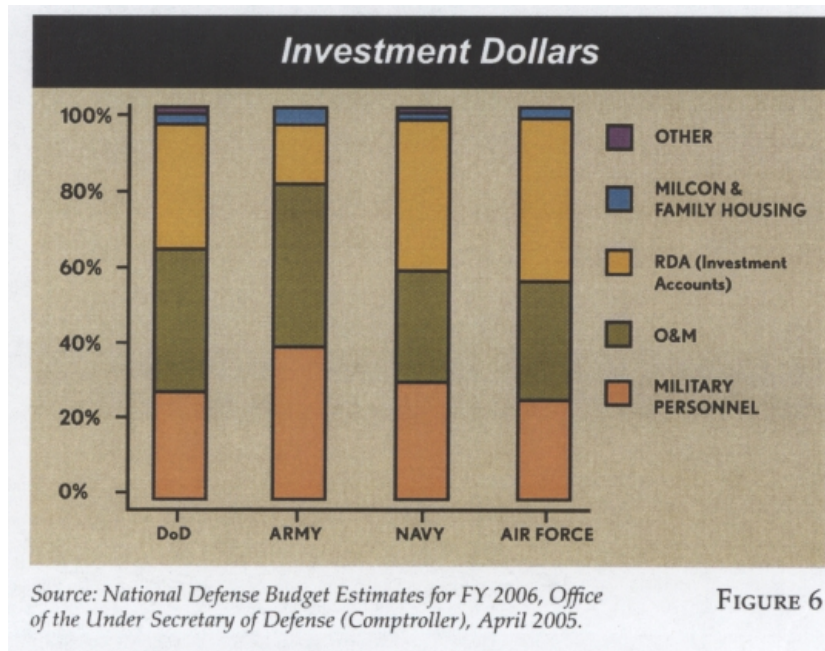
Defense Budget Trends

The allocation of Defense resources has changed over time (Figure 5) in response to the focus and demands of the National Military Strategy. Today, despite providing the bulk of the forces for the war on terrorism, the Army receives the smallest share of programmed resources. Increasing pressure to reduce the federal deficit, coupled with rising fuel, health care, and other costs, may impact the resources appropriated to accomplish Army missions.



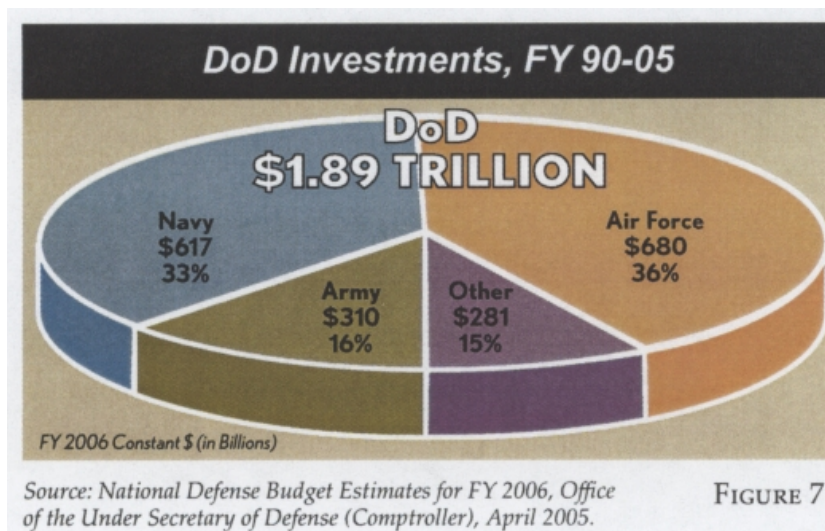
Army Investment Trends

The bulk of the Army's funds are committed to sustaining people, maintaining vital infrastructure, and preparing equipment for combat deployment. As a result, our ability to fund investment accounts is extremely limited (Figure 6). This creates a perennial tension between current and future demands.



Investment Trends

Since 1990, the Army's share of investment dollars has been considerably smaller than that of the other Departments (Figure 7). Consequently, the Army has been unable to invest in the capabilities to sustain a rising operational tempo and to prepare for emerging threats. Supplemental authority has enabled the Army to "buy back" crucial capability to meet the operational demands of the war on terrorism and to improve our ability to sustain the full scope of our global commitments.



Implications for the Army

The implications of the evolving security environment are clear.

—The Nation will continue to be engaged in a long struggle of continuous, evolving conflict that, as in Afghanistan and Iraq today, will manifest itself in complex, traditional, and irregular challenges to include cyberspace attack. These struggles will be waged by Soldiers who will be expected to perform difficult tasks and create decisive outcomes to accomplish the objectives of the National Military Strategy.

—Our Soldiers must be prepared to deal with the full spectrum of threats. As described in the Army's capstone concept for the future force, they must be able to operate effectively as part of joint, interagency, and coalition teams.

Therefore, we must continue to improve the strategic responsiveness of our forces and our generating base through improvements in:

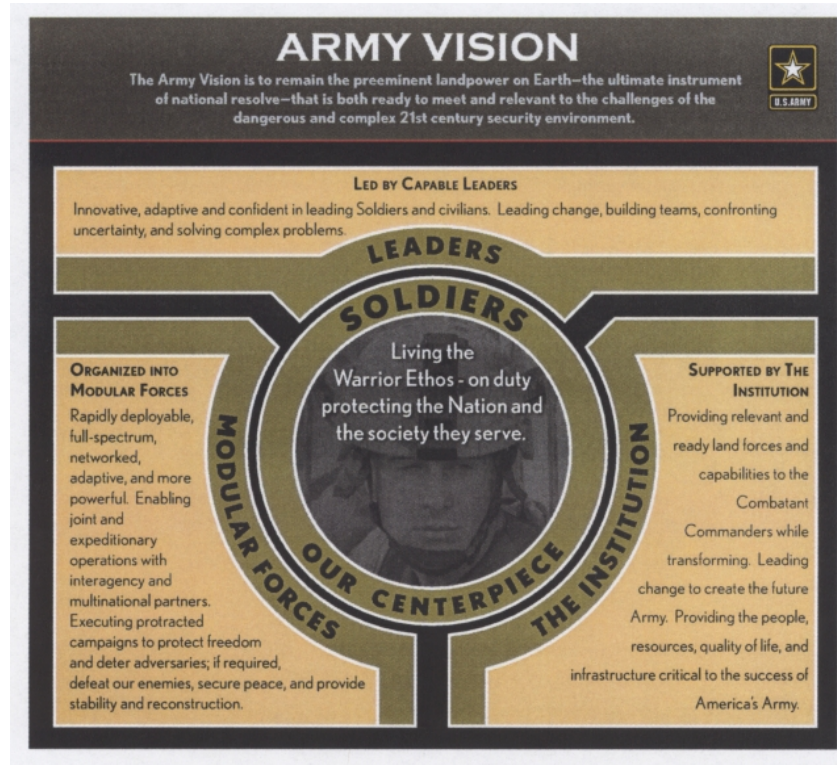
- strategic agility;
- joint interdependence;
- speed;
- survivability;
- lethality;
- sustainability;
- networks to improve situational awareness and command of forces; and
- information assurance and network security

—Our Soldiers and units must be prepared to operate with little to no warning. We will no longer have the luxury of partially manning, equipping, or training a unit and relying on significant warning time to mobilize, train, and prepare to deploy. Rather, the units we have designated to be available for deployment will need their full complement of Soldiers, equipment, and training to be ready for immediate deployment from our power projection infrastructure.

Failure to invest in Soldiers to build the right capabilities—by improving our doctrine, organizations, training, materiel, leaders, people, and facilities—will increase risk for the Army, the Joint Team, and our Nation. Building the capabilities required to hedge against the uncertainty of tomorrow will require prudent investments today. These investments must be sustained at predictable, consistent levels over time. Investing in defense capabilities in this manner would reflect a significant departure from historic patterns of spending, which have increased America's vulnerability prior to each of the major conflicts of the 20th century.

THE ARMY VISION: RELEVANT AND READY LANDPOWER IN SERVICE TO THE NATION

The challenges posed by the 21st century security environment drive our vision of the force we must become to continue to accomplish our mission. The Nation has entrusted us to preserve peace, maintain freedom, and defend democracy. We have performed this role for more than 230 years. Today, because of the actions of our Soldiers and our record of accomplishment, the American people regard the Army as one of the Nation's most respected institutions. We will maintain this trust.



MISSION: PROVIDING FORCES AND CAPABILITIES

The Army exists to serve the American people, to protect vital national interests, and to fulfill national military responsibilities. Our mission is enduring: to provide necessary forces and capabilities to the Combatant Commanders in support of the National Security and Defense Strategies. The Army is also charged with providing logistics and support to enable the other Services to accomplish their missions. The Army organizes, trains, and equips Soldiers who, as vital members of their units, conduct prompt, sustained combat on land as well as stability operations, when required.

Accomplishing the Mission Today: Sustaining Global Commitments

The Army continues to provide Combatant Commanders with a wide range of capabilities to prevail in the war on terrorism and to sustain our global commitments. These capabilities include support to civil authorities in response to threats and crises at home. Our worldwide commitments extend far beyond Iraq and Afghanistan. Today, approximately 600,000 Soldiers are on active duty (currently 487,000 active component, 72,000 Army National Guard and 41,000 Army Reserve), with 245,000 Soldiers serving worldwide in 120 countries (Figure 8). More than 1,700 Army civilians serve side-by-side with them in the field. Our Soldiers and civilians perform a variety of missions vital to America's national defense. Here at home, more than 13,000 Soldiers are on duty specifically fulfilling critical missions to support the Global War on Terrorism.

The Army's operational pace remains high, sustaining obligations and continuing trends established during the post-Cold War era. In addition to Iraq and Afghanistan, our forward presence continues to preserve peace on the Korean Peninsula, the Sinai, the Balkans, and numerous other places of strategic importance.

Whenever and wherever needed, Soldiers continue to answer the Call to Duty. During this past year, Soldiers supported civil authorities during a variety of disaster relief and recovery missions. More than 42,000 National Guard Soldiers; 7,300 active component Soldiers; and 3,500 Army civilians assisted citizens in Louisiana,

Mississippi, Texas, and Florida after Hurricanes Katrina and Rita. Active and reserve aviation units flew thousands of helicopter sorties. These pilots and crews saved countless lives while distributing food, water, and other supplies. Working closely with state and federal agencies, the Army Corps of Engineers provided emergency support and is now executing more than \$4 billion worth of projects to support recovery. Soldiers also provided relief for earthquake survivors in Pakistan. At home and abroad, on a daily basis, our Soldiers and civilians are doing critical work in service to our country.



FIGURE 8

In the four years since September 11, our National Guard has mobilized more than 329,000 Soldiers for both state and federal missions. On any given day, the Army National Guard provides vital capabilities in virtually every mission area. As of January 2006, more than 72,000 Soldiers from the National Guard are mobilized. Besides their commitments in Iraq and Afghanistan, National Guard Soldiers are protecting the homeland by securing borders, protecting key infrastructure, and securing special events such as the Super Bowl. They also support other missions of U.S. Northern Command. They are preserving peace in the Sinai and in the Balkans. They are also establishing the conditions for continued progress in Iraq and Afghanistan.

Since September 11, the Army Reserve has mobilized over 143,000 Soldiers who, together with their fellow active and National Guard Soldiers, have enabled the Army to accomplish its mission at home and abroad. The Army Reserve provides vital capabilities across a diverse range of mission areas. As of January 2006, more than 41,000 Army Reserve Soldiers serve on active duty. The Army Reserve's 98th and 80th Divisions (Institutional Training) deployed to Iraq and Afghanistan to support U.S. Central Command's training of security forces.

Major Decisions in 2005

During 2005, the Army made four key decisions to accelerate change needed to win today and to continue to prepare for tomorrow's challenges.

—*Accelerated the Fielding of the Future Force.*—In April 2005, the Army announced refinements of its plan—The Army Plan—to transition continuously from the current force to the future force to realize the Army Vision. This plan guides our efforts to transform the Army into a modular force, while continuing to modernize by fielding Future Combat Systems (FCS) and other technologies. We are leveraging recent combat experiences to train and educate our Soldiers and leaders and provide the campaign and expeditionary capabilities needed to deal with future challenges.

—*Restructured the FCS Program.*—In April 2005, the Army restructured the FCS program for two reasons: (1) to improve contractual arrangements with industry and provide a better framework to manage the cost and schedule aspects of this vital program; and (2) to further leverage FCS technologies as quickly as feasible to improve our Soldiers' ability to fight and to protect themselves. By improving control and oversight, these new arrangements are paying dividends now.

- Established the Business Transformation Initiatives.*—In February 2005, the Army decided to implement an Army-wide Business Transformation initiative. (We are reviewing all of our business, resourcing, management, and acquisition processes to become more effective, improve quality, reduce cycle time, and achieve cost reductions.) To do so, we are applying the Lean Six Sigma methodology. Just as we are leveraging the lessons of war to improve fighting effectiveness, we are applying relevant corporate best practices to improve our business processes and make best use of our financial, human, and materiel resources. Other key aspects of Business Transformation include: Information Management Systems Portfolio Management, Institutional Army Adaptation, and Business Initiative Councils.
- Adopted the Army Force Generation (ARFORGEN) Model.*—The Army began to implement the ARFORGEN model to ensure all units are fully ready for deployment. This model will establish and coordinate cycles of readiness and training for all active and reserve units. To sustain our ability to execute the National Military Strategy, this model schedules deployment windows for our units while balancing the requirements associated with transforming, modernizing, implementing a new global stationing plan, and other mission demands.

THE ARMY PLAN TO ENABLE MISSION ACCOMPLISHMENT

We are executing The Army Plan, consisting of four overarching, interrelated strategies, to enable mission accomplishment and to achieve the Army Vision over time. This plan accelerates the redesign of the forces, support structures, and headquarters that are accomplishing our mission today. This plan also guides our initiatives to provide the Combatant Commanders the assets to protect the Nation today and tomorrow.

The Army is:

- Providing relevant and ready landpower for the 21st century security environment;
- Training and equipping Soldiers to serve as warriors and growing adaptive leaders;
- Sustaining an All-Volunteer force composed of highly competent Soldiers that are provided an equally high quality of life; and
- Providing infrastructure and support to enable the force to fulfill its strategic roles and missions.

We are transforming to create a future force with a broad set of capabilities to enable our Soldiers to address strategic problems the Nation will face (See Figure 9).

The benefits of our approach are clearly evident in the attitudes and levels of commitment we see in our Soldiers, as well as the attributes of our combat formations, the forces that sustain them, and the facilities and business processes that generate them from their home stations. The combined effects of transformation, modernization, innovation, and improvement—reinforced by positive change in the attitudes and behaviors that create the culture of our service—are helping us to become the force the Nation will need to safeguard its peace and freedom in the 21st century.

EXAMPLES OF UNIQUE ARMY CAPABILITIES TO SUPPORT JOINT, COMBINED, AND INTERAGENCY OPERATIONS

Countering Terrorism

Assist friends, allies, or partners to conduct military operations by providing logistics, command and control, intelligence, protection, and other support to the Joint Force.

Train military and security forces to counter extremist, radical, or insurgent elements.

Provide ground forces (conventional and special operations) to sustain large-scale counter-terror and counter-insurgency operations.

Rapidly deploy substantial numbers of ground forces from strategic distances to meet Combatant Commanders' requirements for counter-terror or combat operations.

Conduct extended stability operations.

Defending the Homeland

Detect and prevent hostile actions against the homeland through the presence of the National Guard and the Army Reserve within states and communities.

Support civil authorities in consequence management, disaster relief, and other roles including: reinforcing public safety and providing logistics, transportation, communications, utilities management, engineering, and other services.

Shaping Choices of Countries at Crossroads

In support of Combatant Commanders, establish relationships with foreign leaders, forces, and people through: security cooperation, training, humanitarian and civil assistance, medical, engineering, exercises, and other national and international programs.

Seize control and defend key facilities or terrain to preclude actions by potential adversaries.

Conduct expeditionary operations to deter, destroy, or defeat potential adversaries.

Conduct extended campaigns to deter or prevent potential adversaries from engaging in protracted conflict with joint or U.S.-led coalitions of forces.

Preventing Acquisition of Weapons of Mass Destruction by State and Non-State Actors

Conduct irregular or unconventional warfare in support of the Joint Force.

Deny sanctuary and safe haven for terrorist groups.

Assist the forces of other nations to conduct operations against adversaries seeking to possess or transfer control of weapons of mass destruction.

While the problems we face will evolve, Soldiers' "boots on the ground" will remain vital to our solutions.

SOURCE: Strategic Problems drawn from 2006 Quadrennial Defense Review, Office of the Secretary of Defense, February 2006.

FIGURE 9

The Army Plan is continuously improving our ability to operate as part of the Joint Team, while ensuring our ability to dominate in any environment against current, emerging, and unforeseen threats. We believe that every dollar spent to build capability for our current force is an investment in our future force. Our initiatives are guiding our efforts to:

- Grow innovative, adaptive Soldiers and leaders through training and education programs that build on recent combat experiences and leverage the Training Transformation Program;
- Adapt the doctrine which guides how we fight, how we sustain our forces, and how we train Soldiers;
- Create far more capable, strategically deployable brigades that are designed to receive new technologies and equipment as soon as they become available;
- Increase Soldier and unit effectiveness and protection; and
- Apply better business practices to free resources to use for our most pressing operational requirements.

Our ongoing intellectual and cultural transformation is dramatically improving how our leaders, Soldiers, civilian workforce, and families are adapting to the reality of protracted conflict. This transformation is reinforcing the commitment to continuous improvement that has taken hold across the Army.

PROVIDE RELEVANT AND READY LANDPOWER FOR THE 21ST CENTURY SECURITY ENVIRONMENT

To support current global operations and prevail in the war on terrorism, we are increasing the quality and the effectiveness of our essential fighting units, the Brigade Combat Teams (BCTs). We are forming a rotational pool of 70 BCTs that will allow us to sustain global commitments, surge forces for unforeseen contingencies, and reduce stress on Soldiers and equipment. We are also creating the right mix of Support Brigades to ensure that our Soldiers receive the logistical, engineering, intelligence, protection, aviation, and communications capabilities they will need to support the Combatant Commanders.

We are rebalancing the force by placing the right Soldiers with the right skills into our jobs and organizations in greatest demand. At the same time, we are stabilizing Soldiers, to keep them with their units longer, to improve teamwork and reduce stress on families caused by frequent moves between posts. We are maintaining momentum in transforming and modernizing our formations—through modular conversion, pursuit of future combat systems, and fielding other advanced technologies. These complementary initiatives will ensure that our Soldiers are well prepared to operate in campaign and expeditionary settings with our joint and coalition partners.

Support Current Global Operations with Relevant and Ready Landpower

To sustain a steadily increasing demand for military forces, we are building a modular force centered on BCTs. Our modular conversion across the active and reserve components is designed to meet the demands of the current war, sustain other global commitments, establish the organizational structure needed to accelerate modernization, and support a new global basing posture that will rely more heavily on rotational presence.

Our plan will create a rotational pool of 70 BCTs: 42 in the active component and 28 in the Army National Guard. These BCTs will be organized into one of three standard designs: Infantry, Heavy, or Stryker. We will support these BCTs with more than 200 active and reserve Support Brigades. These Support Brigades will enable the BCTs to accomplish a broad range of missions. They will also provide essential capabilities to support civil authorities in homeland defense missions, including consequence management and disaster relief.

Our Support Brigades are organized into two categories: Multi-functional Support Brigades and Functional Support Brigades. The multifunctional brigades will perform operational roles including: Combat Aviation, Combat Support (Maneuver Enhancement), Sustainment, Fires, and Battlefield Surveillance. The functional brigades will perform broad support roles on a theater-wide basis including: Air Defense, Engineer, Explosive Ordnance Disposal, Military Police, Signal, and others.

ACCOMPLISHMENTS

Since 9–11

Soldiers helped to overthrow two terrorist regimes, rescue two nations from oppression, and to liberate over 50 million people.

More than 144,000 Army Reserve Soldiers, 329,000 National Guard Soldiers, and 498,000 active component Soldiers supported Combatant Commanders in Iraq, Afghanistan, Guantanamo Bay, the Balkans, the Sinai, and elsewhere.

120,000 National Guard Soldiers and 31,000 Army Reserve Soldiers, along with active component Soldiers, helped secure the homeland through key asset security, special events security such as the Super Bowl, airport security, and Air Force Base security augmentation.

Began 37 of the 70 planned Brigade Combat Team modular conversions; 18 of these 37 conversions completed.

Doubled depot output in just three years to refurbish and reset vehicles and equipment for future deployments.

Extended the life of more than 4,000 HMMWVs and 1,200 aircraft through the reset program.

2005

Soldiers and coalition forces secured vital elections in Iraq and Afghanistan where millions voted.

Two training divisions plus 4th Brigade Combat Teams worth of officer and noncommissioned officer leadership trained Iraqi and Afghan security forces.

Soldiers trained and equipped 88,000 Iraqi Security Forces during 2005, increasing their ranks to 224,000 in 136 battalions.

Soldiers deployed to South Asia and Southwest Asia to provide tsunami and earthquake relief.

More than 42,000 National Guard Soldiers; 7,300 active component Soldiers; and 3,500 Army civilians; complemented with Army Reserve aviation and transportation units, provided hurricane relief support (including Katrina and Rita).

Deployed advanced systems to share information and improve situational understanding and command of forces for four divisions and three Brigade Combat Teams in Iraq and Afghanistan.

Equipped most deploying units with the Joint Network Node to enhance command of forces.

Advanced \$2.2 billion contract for production of 368 Armed Reconnaissance Helicopters—the Army's first new manned helicopter acquisition since 1983.

Like our theater commands, our corps and division level operational command posts and headquarters, Support Brigades will also be converted to modular designs. They will be trained, manned, and equipped to work directly for each of these headquarters without augmentation of people or equipment.

We are also improving the readiness of our reserve forces that are making vital contributions on a daily basis—and have transitioned from a strategic to an operational reserve as our global commitments have increased. We are working to improve our access to these forces to support our strategic requirements. Access will be enabled by reducing reserve component overstructure and managing reserve Soldiers in ways that will improve assigned strength in each of our units, while increasing opportunities for education and special skills training. These improvements, coupled with modular conversion, will improve the Army's overall ability to provide ready forces and capabilities to the Combatant Commanders and to civil authorities in a timely manner.

In addition, to make best use of our resources, we are both rebalancing and redistributing our forces. We are rebalancing to create the right mix of units in high demand, and Soldiers with critical and high demand skills in each of our active and reserve components. At the same time, we are redistributing Soldiers to create the right mix between our operational forces and our institutional structures.

—To assure timely access to the right types of units and Soldiers, we are rebalancing skills within our three components. We have determined the types of units and skills that are in greatest demand in today's environment—including infantry, engineer, military police, military intelligence, Special Forces, chemical, civil affairs, and psychological operations units—and have identified over

100,000 positions to rebalance. We have accomplished more than half of this rebalancing and project to be completed by 2011.

—To sustain increased global commitments, we are also increasing, or “growing,” the Operational Army in the active component. Our goal is to grow the Operational Army by 40,000 Soldiers by 2008 (from the 2004 baseline of 315,000) to bring our active component operational force total to 355,000 Soldiers. This change will be enabled by military-to-civilian conversions and better management of our Individuals Account.

The combined effect of rebalancing, redistributing, and growing the Operational Army is increasing our overall effectiveness. We are improving our ability to provide trained Soldiers in cohesive formations to the Combatant Commanders and to support civil authorities, while reducing stress on Soldiers and families.

To support global operations while transforming, we are preparing our forces for war—or resetting them—as quickly and efficiently as we can. Our reset program is restoring units returning from war to required levels of readiness to prepare them for future missions. As we reset our units, we are simultaneously converting them to their new modular designs. We have reset more than 20 major units. Many of these units have already returned to theaters of war in their new configurations.

The Army Plan introduces a new readiness model, ARFORGEN, to manage the force and ensure the ability to support demands for Army forces. ARFORGEN sequences activities for all active and reserve Army units to include: Reset; Modular conversion; Modernization; Manning adjustments; Soldier and leader training and education programs; Unit training; Employment; and Stationing decisions.

To sustain global commitments, we will transition units through a progression of three sequential readiness pools: *Reset and Train, Ready* (eligible for deployment and exercises), and *Available* (immediately available for world-wide employment). This model establishes a plan for scheduled deployment on an Army-wide basis. Through semi-annual synchronization conferences, we will organize our forces into three Expeditionary Force Packages: Ready Expeditionary Forces that are training and preparing for potential future missions; Contingency Expeditionary Forces that are ready for employment or exercises but not yet deployed; and Deployment Expeditionary Forces executing assigned missions.

Our goal is to be able to generate a continuous output of trained and ready forces that will support one operational deployment in three years for the active component, and one operational deployment in six years for the reserve component. At lower levels of demand, this model may allow the Army to support one operational deployment in four years for active forces. This new model establishes the basis to bring all units to a full state of readiness—with people, equipment, and training—before they are scheduled to deploy. It allows the Army to accomplish the following critical objectives: Reduce uncertainty for Soldiers, families, and the communities that support installations; Improve availability of forces for Combatant Commanders; Generate a continuous force of 18–19 BCTs, along with all required Support Brigades; and Surge up to an additional 15–19 BCTs in response to crises.

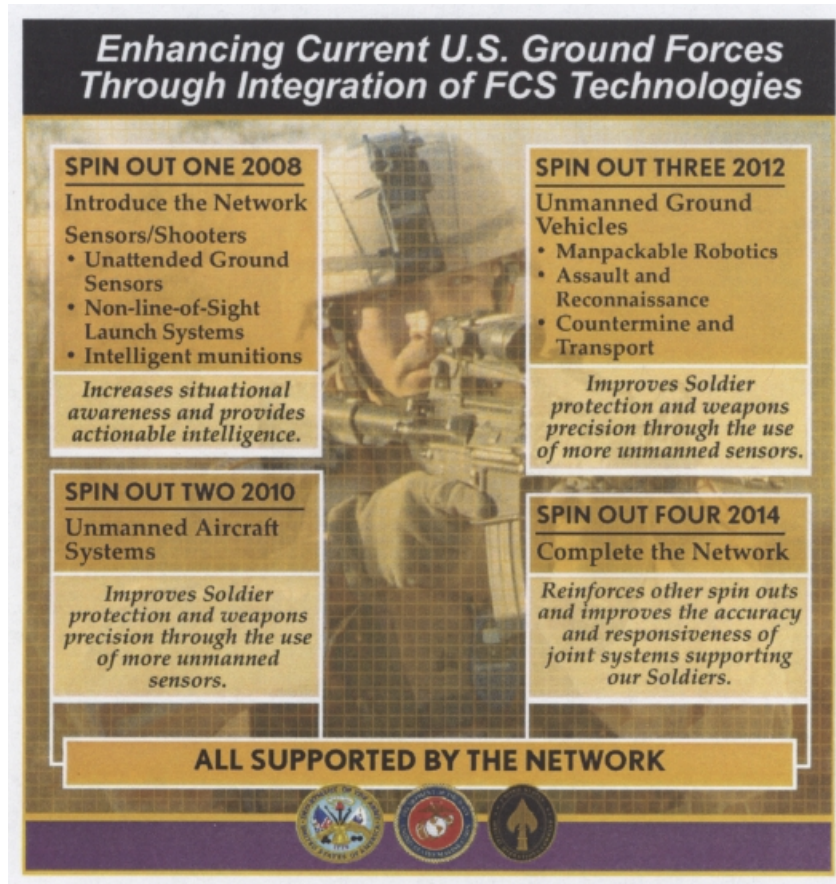
Build a Campaign-Quality Modular Force with Joint and Expeditionary Capabilities for Today and Tomorrow

The war on terrorism and the changing paradigm for maintaining forward presence have created both the necessity and the opportunity to accelerate change from the current to the future force. Our conversion to a modular force—one that is carefully balanced between active and reserve component BCTs, Support Brigades, and division and corps level operational command posts—is well under way. This conversion is transforming the Army into a more lethal, flexible, deployable, and sustainable force. It is enabling us to shift the center of gravity of our capabilities (previously focused primarily on traditional challenges) to better address the full spectrum of traditional, irregular, disruptive, and catastrophic challenges.

The combination of transformation to build a modular Army and continuous modernization, to field Future Combat Systems (FCS) and other advanced technologies, is methodically producing the future force.

FCS is our primary modernization program and most critical investment. This program will pioneer the next generation of warfighting capabilities which will improve Soldiers’ ability to find and fight their enemies. FCS includes a new class of manned and unmanned air and ground vehicles, interconnected by a modern network to better support and sustain Soldiers.

The program is currently in the developmental phase. The first unit fully equipped with manned ground vehicles is projected to achieve initial capability by 2014 (and will be able to fight by 2017). When we complete our intended fielding plan in 2025, new manned ground vehicles will replace 40 to 50-year old tactical vehicles designed in the 1970s to defeat Cold War enemies.



A significant contribution of FCS is that it will immediately place advanced technologies into the hands of our Soldiers that will increase their capability and provide greater protection. By integrating advanced technologies into our formations in four “spin outs” that will occur in roughly two-year increments, we will strengthen our current forces in distinct ways:

- The first “spin out,” on track for delivery in 2008, will introduce Unattended Ground Sensors, Non-Line-of-Sight Launch Systems, the Intelligent Munitions System, and the Network. These capabilities will enhance Soldiers’ understanding of their situation in dynamic, battlefield conditions by promoting a common perspective of enemy and friendly locations on digital maps. This improvement will greatly increase the area that Soldiers can influence and control. The Network will also provide Soldiers with more timely Actionable Intelligence.
- The second and third “spin outs,” are currently on track for 2010 and 2012 respectively and will introduce new types of unmanned aircraft systems and ground vehicles for our Soldiers. These technologies will enable Soldiers to employ greater numbers of sensors to see and find their enemies first. These “spin outs” will also enable robotic reconnaissance of dangerous areas, mines, and booby traps. Together, they will increase Soldier protection and enhance the precision of their weapons.
- The fourth “spin out” will complete the Network, currently on track for 2014. When completed, this improvement will reinforce the comprehensive efforts now under way to improve the accuracy and responsiveness of the joint weapons systems designed to support Soldiers.

When whole BCTs are fielded with the full complement of FCS systems, these units will be able to generate significantly more capability. These FCS-equipped BCTs will contain more fighting vehicles and more infantry squads than the units we field today. They will be able to generate more capability and control more area with significantly fewer Soldiers than today. They will require less fuel, supplies, and other logistical support.

These new capabilities will directly benefit all U.S. ground forces, including the Marine Corps and the Special Operations Forces from all Services. They will fundamentally alter how we deploy, employ, and sustain our ground forces. These capabilities will improve our capability to put “boots on the ground,” to stabilize contested zones, and to support joint and interagency teams.

The future force comprises more than just FCS-equipped, modular BCTs. It includes all of the improvements in strategic agility and efficiencies that will result from implementing BRAC and IGPBS decisions. These decisions will enable the repositioning of forces to better respond to emerging challenges. We will also be able to execute much of our enduring overseas presence mission with units that deploy from the United States for overseas duty, during rotational windows scheduled and managed as part of the ARFORGEN model.

For both rotational duties and for contingencies, our units will rely on pre-positioned equipment. To increase both strategic agility and efficiency, we are modernizing our pre-positioned equipment sets. We are also reducing the number of variants of our heavy combat vehicle fleet from four to two. This initiative will promote standardization, reduce the number of systems that we must train active and reserve Soldiers to operate, and reduce maintenance costs.

COMPELLING NEEDS

Full funding of the Army request in the 2007 President’s Budget, plus the requisite supplemental funding for combat operations to ensure Soldiers are fully trained and equipped in the most expeditious manner to enhance current force readiness and to achieve victory in the long war.

Resource the Army’s requirements for resetting over 50 brigades consisting of over 350,000 pieces of equipment including: 615 aircraft; 7,000 combat vehicles; and 30,000 wheeled vehicles.

Support the Army’s effort in 2007 to grow our operational forces to 355,000 Soldiers (increase of 40,000 Soldiers), and restructure both the Institutional and Operational Army across the active and reserve components to meet global commitments now and in the future.

Fully fund continuous modernization of the current force through the Future Combat Systems Program and key supporting programs, including increasing Soldier protection, sustaining development of advanced technologies, developing the Joint Network Node, LandWarNet, and rebalancing active and reserve component units and skills to ensure the Army remains the preeminent landpower on earth.

Sustain momentum in force transformation through modular conversions planned in 2007—three active component and seven reserve component Brigade Combat Teams, 13 active component and five reserve component supporting brigades, headquarters and support units—to ensure the Operational Army has relevant combat power for the 21st century.

Our commitment to being a learning, adaptive organization is evident in our efforts to apply lessons learned from our operations both at home and abroad. We are working to develop a future force that is better able to fight as part of joint and coalition formations in either protracted campaigns or in expeditionary operations and to serve the Nation—by examining how to best accomplish traditional and non-traditional missions through five major areas of focus:

- Sustain the Force enables modular Army logistics units to better anticipate requirements and provide rapid and precise capability to Army, joint, and multinational partners. We are improving theater-wide distribution systems and visibility of all of the assets and resources, both deployed and in-transit, needed to support military operations.
- Actionable Intelligence is providing Soldiers and leaders with expanded situational understanding by distributing intelligence with more speed and accuracy, while providing the means to improve understanding of different languages and cultures.

- Improve Capabilities for Stability Operations is improving our understanding of how to stabilize areas of operation and support security, transition, and reconstruction operations while continuing to conduct combat operations.
- Improve Contributions to Homeland Defense is focusing on balancing capabilities in the Active and Reserve Components to ensure the right capabilities are available to address expanded homeland defense requirements and broadening the options available to civil authorities.
- Increase Army Capabilities to Dominate in Complex Environments is focusing on finding innovative solutions to challenges posed by operations in urban, mountainous, cavernous, and jungle environments while expanding Soldier ability and protection, and enhancing cultural awareness, regional familiarity, and language skills.

The combination of transformation and modernization, reinforced by initiatives of this type, and continued improvements in training Soldiers, developing leaders, and improving facilities is producing relevant and ready landpower for the 21st century.

Supporting Initiatives (Addendum C): The areas of focus discussed above are reinforced by six initiatives: Develop Operational Capabilities in LandWarNet; Execute Major Acquisition Programs; Restructure Army Aviation; Enhance Joint Interdependence; Stabilize Soldiers and Units to Enhance Cohesion and Predictability; and Leverage Science and Technology.

TRAIN AND EQUIP SOLDIERS TO SERVE AS WARRIORS AND GROW ADAPTIVE LEADERS

The Army Vision centers on producing Soldiers armed with the values, combat skills, and mindset that enable them to serve as competent, disciplined warriors who reflect our shared ethos. Our training programs, at our home stations, our Combat Training Centers, and across our institutional training base are leveraging our combat experiences to grow adaptive leaders who are highly skilled, resilient, able to thrive in rapidly changing environments, and ready to operate with our joint, interagency, and multinational partners. We are committed to continuing to equip our Soldiers with the best capabilities, weapons, and protection our Nation can provide—leveraging our national strength to reduce risk to our Soldiers.

Reinforce our Centerpiece: Soldiers as Warriors

Our Soldiers continue to serve magnificently as we enter the fourth year of the war on terrorism. They believe in their mission, the Soldier's Creed, and the Warrior Ethos. As evidenced by their service, they remain committed to something far bigger than themselves.

In Iraq and Afghanistan, our Soldiers are consistently defeating the enemies of freedom.

ACCOMPLISHMENTS

Since 9–11

Adapted Combat Training Center training scenarios to match expected threats and provided enhanced training challenges to develop adaptive leaders.

More than half of the observer/controllers at our Combat Training Centers have experience in Iraq or Afghanistan.

Greatly improved individual Soldier protection. Today every Soldier in Iraq and Afghanistan is issued improved body armor.

Continued to meet Combatant Commander requirements to up-armor the vehicle fleet. To date, over 37,000 light, medium and heavy tactical wheeled vehicles have been fielded.

Equipped 49 Brigade Combat Teams and nearly 500,000 Soldiers with state-of-the-art equipment through the Rapid Fielding Initiative.

2005

Instituted the Combat Action Badge to recognize those Soldiers who directly engage or who are engaged by the enemy.

Implemented standard 39 Warrior Tasks and Nine Battle Drills to initial military training for Soldiers of all military occupational specialties.

Expanded training base capacity from 405,000 to 454,000 seats to enable growth in combat forces.

Began implementation of new Officer Education System, including Basic Officer Leader Course and Intermediate Level Education.

Used our experience gained in Iraq and Afghanistan to adapt our training bases and Combat Training Centers to provide enhanced training on marksmanship, fighting in urban areas, live fire convoy training, IED awareness, and working with non-English speaking allies.

Increased ammunition production more than 400 percent to 1.5 billion small arms rounds per year to adequately train Soldiers and meet operational needs.

Participated in the Joint Task Force that developed technical solutions and provided critical training for ground forces to detect and defeat Improvised Explosive Devices.

Began development of a new Civilian Education System.

They have created the conditions to permit free, democratic elections and to reconstruct vital infrastructure and institutions. Like the American Soldiers of generations past, today's warriors are distinguishing themselves with tremendous acts of courage and valor in places such as Baghdad, Samarra, An Najaf, Fallujah, Tal Afar, Mosul, and Khandahar.

Our Soldiers understand the Army's values and personify our ethos, demonstrated most poignantly by their willingness to sacrifice all so that others may live in peace and freedom. Our Nation must remain equally committed to them by providing the capabilities and support they need to succeed in their mission.

Train Soldiers

Our continued commitment to innovative training and education led us to enhance the rigor and relevance of Initial Military Training for new enlisted Soldiers and officers. Today, every Soldier, regardless of specialty, becomes a warrior first. To be better prepared for combat, all recruits receive advanced training in marksmanship and livefire convoy procedures. Current training draws from recent combat experience and emphasizes 39 Warrior Tasks and Nine Battle Drills previously required only of infantry Soldiers.

Our commitment to medical training and readiness has resulted in the highest survivability rate in military history. Every Soldier in combat carries a new blood-clotting bandage and a new onehanded tourniquet. Many are certified as combat lifesavers through extensive training. These capabilities combine with highly-trained combat medics, tremendous improvements in medical evacuation, and world-class field medicine to save lives every day.

We are strong believers in life-long learning. We are using information technology to enhance Soldier and leader education in a time of war. Soldiers participate in more than 1,500 online courses to improve job proficiency and to work toward civilian degrees. Our Army Knowledge Online websites average more than one million visits per day, allowing Soldiers and leaders to collaborate and to share information regarding the lessons learned from combat and from training.

Enhance the Combat Training Centers

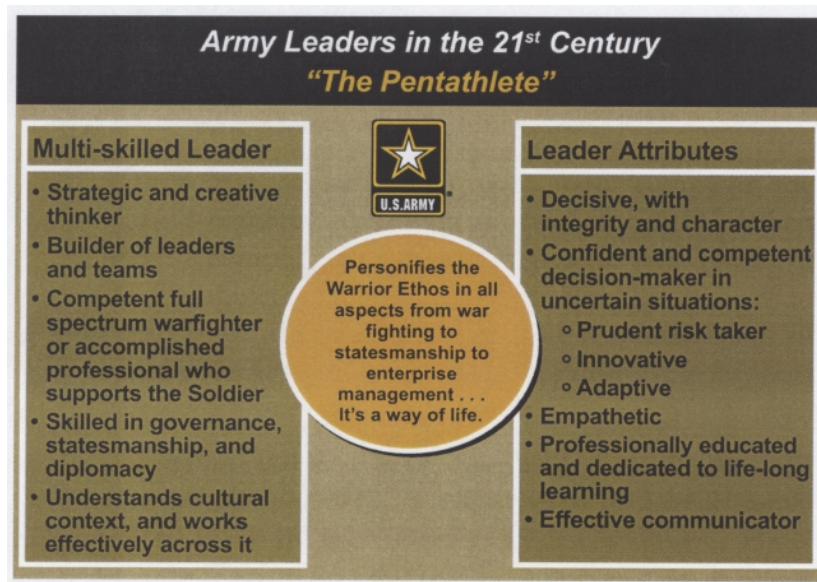
Just as we have transformed individual Soldier training, our unit training has evolved to better reflect the complexity of modern battlefields. We have invested in our Combat Training Centers to replicate the complex environments—terrain, social, language, and culture—in which our Soldiers are fighting. Using these world-class training facilities, every unit conducts a Mission Rehearsal Exercise before deploying to combat. These exercises feature nongovernmental organizations, contractors, media, coalition role players, and hundreds of civilians on the battlefield. Similarly, our Battle Command Training Program uses state-of-the-art simulation techniques to replicate the realities of combat. This program trains deploying division, corps, and task force staffs who will serve as joint or coalition task force operational headquarters and includes information operations and other joint missions they might support or execute in the future.

We are continuously improving training by providing a mix of live, virtual, and constructive training events. This cost-effective approach, which uses state-of-the-art simulation tools, improves Soldier and unit capabilities and links home station training to the joint team. The rigor that we are adding to our Soldier, unit, and joint-level training, is reducing risk for our Soldiers by improving our predeployment preparation.

Grow Adaptive Leaders

The complexity of the 21st century security environment requires more of Army leaders at all levels. As we have seen in Iraq, Afghanistan, Korea, Europe, across the Americas, and in peace enforcement operations around the world, the actions of individual Soldiers and leaders can have strategic consequences. To be effective today and tomorrow, we are growing a new breed of leader—one more akin to a pentathlete who is able to rapidly transition between complex tasks with relative ease.

The future environment will demand that Army leaders at all levels be multi-skilled, innovative, agile, and versatile. Therefore, we are continuing to evolve our training and education systems to grow adaptive civilian and military leaders who are comfortable in leading during times of change and uncertainty.



Recognizing that intellectual change precedes physical change, we chartered a task force to Review Education, Training and Assignments for Leaders. This task force, now six months under way, is drawing upon the ideas and experiences of the finest leaders inside and outside of the Army. The task force will recommend changes to assess and improve all Army education, training, and assignment processes to produce pentathletes.

Unlike World War I and World War II, when the Army closed the Army War College, we have improved our leader education programs while at war. At the Army War College and in all of our schools, training centers, and doctrine development positions, we are placing recently returned veterans into key positions to enhance the relevance of the education and training we provide. We are also moving to fully implement a new Basic Officer Leader Course (BOLC). Consistent with our warrior first approach, this tough, standardized, small-unit leadership experience is ensuring that all junior officers, in all of our branches, master the skills they will need to lead in combat. We are executing similar improvements in all of our officer and noncommissioned officer education programs. Our civilian development program is enhanced through our Civilian Education System.

Equip Our Soldiers

Protecting our Soldiers continues to be our highest priority. With great support from the Congress, the Department of Defense, and the President, we have delivered more than 37,000 up-armored vehicles to meet Combatant Commander requirements. Additionally, we continue to contribute to the Joint Organization established to defeat our adversaries' use of improvised explosive devices. (Figure 10)

Equipping Our Soldiers: Soldier Protection Programs in Iraq and Afghanistan			
AREA	WHERE WE WERE SEPTEMBER 2003	WHERE WE WERE JANUARY 2005	WHERE WE WERE JANUARY 2006
Body Armor	Estimated 10 percent of Soldiers in Iraq equipped	All Soldiers and DoD civilians in theater equipped; plus 60,000 Deltoid Axillary Protectors issued	All Soldiers and DoD civilians in theater equipped; total of 693,000 Body Armor sets fielded; plus 173,000 Deltoid Axillary Protector sets issued
Up-Armored HMMWVs	500 Up-Armored HMMWVs in Iraq and Afghanistan	More than 6,400 Up-Armored HMMWVs in Iraq and Afghanistan	More than 11,100 Up-Armored HMMWVs in Iraq and Afghanistan
Tactical Wheeled Vehicle Add-on-Armor Kit	Contingency mission only	More than 19,000 vehicles in theater have Add-on-Armor-kits	More than 37,500 vehicles in theater have Add-on-Armor kits
Armored Security Vehicle (ASV)	No ASVs in theater	Resurrected a terminated program; 82 ASVs in theater	194 ASVs in theater
Bradley Reactive Armor Tile (Brat)	140 sets delivered; acceleration plan in execution	592 sets delivered	790 sets delivered; acceleration plan in execution
Counter-IED Device	Minimal capability in theater	1,496 systems in theater	More than 23,000 systems in theater
Tactical and Small Unmanned Aircraft Systems	Two systems deployed to theater	128 systems in theater	155 systems in theater
Aircraft Survivability Equipment (ASE)	No fixed-wing ASE; in process of upgrading Blackhawk and Chinook aircraft with basic ASE	All theater aircraft upgraded with basic ASE	All theater rotary wing aircraft to be upgraded with Latest Common Missile Warning System
Buffalo	No systems deployed in theater	No systems deployed in theater	44 systems deployed

FIGURE 10

We are also exploiting the value of the Rapid Equipping Force (REF) to better protect our Soldiers. REF works in partnership with industry, academic, and military leaders to support Soldier needs as quickly as possible. It provides field commanders with readily employable solutions to enhance lethality and survivability. Often using off-the-shelf and developmental technologies, REF is enabling us to remain ahead of an adaptive enemy and to save Soldiers' lives. Examples of last year's successes include the deployment of digital translators, vehicle scanning systems, and robots able to inspect possible improvised explosive devices.

A similar program to increase Soldier capabilities is the Rapid Fielding Initiative (RFI). RFI has equipped nearly 500,000 Soldiers since its inception. RFI accelerates the fielding of commercial, off-the-shelf systems to produce state-of-the-art capabilities. RFI provides a specific set of equipment to every Soldier, and a set of additional items to Soldiers assigned to BCTs. The Training and Doctrine Command is using combat lessons learned to maintain the currency of the items we supply. We plan to complete fielding these items to all operational forces by September 2007.

COMPELLING NEEDS

Support and funding to implement the findings of the Review of Education, Training, and Assignments for Leaders, examining all pertinent policies and programs with a view to creating military and civilian “pentathletes” able to lead effectively amidst the complexity and uncertainty of the 21st century security environment.

Continue to support Army initiatives to sustain Soldier, leader, and unit training development and provide stability for Soldiers and their families.

Continue to support the Rapid Fielding Initiative to complete the goal of equipping all operational forces (active and reserve component) by September 2007.

Maintain funding support for equipment modernization programs that speed state-of-the-art force protection systems and weapons to our Soldiers in the field.

Supporting Initiatives (Addendum C): The areas of focus described above are reinforced by three supporting initiatives: Support Joint Improvised Explosive Device Defeat Organization (JIEDDO); Expand Cultural Awareness and Language Capabilities; and Develop Joint Training Capabilities.

SUSTAIN AN ALL-VOLUNTEER FORCE COMPOSED OF HIGHLY COMPETENT SOLDIERS THAT ARE PROVIDED AN EQUALLY HIGH QUALITY OF LIFE

We owe our success to the versatile young Americans who answer the Call to Duty. This is the first time in our modern history that the Nation has tested the concept of an All-Volunteer force during a prolonged war. We are executing a full range of initiatives and incentives to recruit and retain high caliber citizens to man our active, reserve and civilian ranks. Caring for Soldiers and Army families through tangible quality of life programs provides a sense of belonging and sustains motivation for continued service. Improving Soldier and family housing reflects our commitment to providing a quality of life that matches the quality of our Soldiers’ service to the Nation.

Recruit and Retain the All-Volunteer Force

We have maintained our All-Volunteer Army by recruiting dedicated, high-quality Soldiers and then retaining them well beyond their initial obligations. While the recruiting environment for America’s young men and women is competitive, we will not compromise standards as we temporarily increase the size of the Army by 30,000 Soldiers. Our recruiting goal this year exceeds 186,000 Soldiers for all three components. This annual goal compares to about 140,000 recruits for all of the other Services combined.

ACCOMPLISHMENTS

Since 9-11

Exceeded combined active and reserve retention goal each year.
 Built over 24,000 barracks spaces and modernized over 9,000 existing spaces through the Barracks Modernization Program.
 Privatized 59,500 sets of quarters at 26 different installations through the Residential Communities Initiative to improve family housing.
 Continued to state-of-the-art health care as they return from theater.
 Established a Well-Being framework to integrate, resource, and measure quality-of-life programs for Soldiers and families.

2005

Achieved 106 percent of the combined active and reserve retention goal.
 Increased recruiting and retention incentives programs.
 Assisted Family Support and Readiness Groups from company to division-level. Developed Virtual Family Readiness Groups.
 Implemented the U.S. Army Wounded Warrior Program (formerly Disabled Soldier Support System) to synchronize Army programs that care for severely disabled Soldiers.
 Established a community-based Child and Youth Services Program for child care, youth development, and school transition to support 160,000 Army Reserve youths.
 Implemented a \$250 million Barracks Improvement Program to upgrade substandard Soldier barracks.

Last year was a challenging recruiting year. However, we finished strongly, exceeding the monthly goals for the last four months by more than 400 Soldiers per month in the active component. This trend continued into the new recruiting year in all three components. To achieve success this year, we have expanded advertising, increased the number of recruiters, and augmented numerous incentive programs. We recently initiated a new program, Unity of Effort, to recruit former members of the Armed Forces. This program features enlistment bonuses and, in many cases, reinstatement of previous rank. We are optimistic that our efforts, reinforced by Congress and the Nation's support, will result in meeting our recruiting goals for this year.

The Army is retaining Soldiers at tremendously high levels. Since 2002, while fighting the war on terrorism, we have surpassed our combined Army retention goals each year. In 2005, we exceeded our goal by more than six percent. We reenlist two out of every three eligible Soldiers who reach the end of their term of service during a given year. We are particularly proud that one out of every two first-term Soldiers decide to reenlist. In a time of war and a high operational pace, we believe this achievement is indicative of the high quality of leadership that our Soldiers experience in their units. Our Soldiers value the tradition of service to the Nation and appreciate the opportunity to contribute in a meaningful way.

The continued support of spouses, parents, veterans, and the employers of our reserve component Soldiers plays a huge role in recruiting and retaining the All-Volunteer force. This support has a direct effect on the pride and morale of each of our Soldiers. In May 2005, to recognize the role and contributions of key influencers in our society, we established the Freedom Team Salute Program. To date, we have received requests to commend almost one million spouses, parents, veterans, and civilian employers.

Care for Soldiers and Army Families

We continue to work to assure Soldiers and their families that they will be taken care of and all their needs will be met. Caring for families plays a vital role in sustaining a national commitment to serve and requires both the attention of leaders and the application of resources.

Army Well-Being programs provide leaders a variety of ways to care for Soldiers and their families. We have integrated numerous quality-of-life functions into a comprehensive well-being framework that enables us to focus resources, measure success, and address the needs of an Army at war. Our objective is to sustain the fighting strength of our Army while providing for the individual needs of Soldiers and families.

To assist Family Support and Readiness Groups at all levels, we have developed Virtual Family Readiness Groups. We have expanded child care programs on instal-

lations and in communities that have deployed Army National Guard and Army Reserve units. The Army Reserve established a Child and Youth Services Program to facilitate access to child care, youth development, and student support. The new Deployment Cycle Support Program helps families to understand and cope with the stress of deployments. Our Army Spouse Employment Partnership program has placed over 11,000 spouses in positions with major corporations and State and Federal agencies. We are currently working on a school transition program to help families and communities affected by BRAC decisions. These are just a few of the many ways that we care for Soldiers and families.

Health care is another critical aspect of caring for our Soldiers and their families. The Army provides world-class health care for 3.5 million beneficiaries, on the battlefield and at hospitals and clinics worldwide. To honor our obligation to care for Soldiers and families, we continually look for ways to improve health and well-being. The U.S. Army Wounded Warrior Program, formerly known as the Disabled Soldier Support System, provides sustained care for our severely wounded Soldiers. This program provides continuous and comprehensive transition and support services for our Soldiers until they are returned to duty or for up to five years after medical retirement. This program exemplifies our commitment to honor the Soldier's Creed by "never leaving a fallen comrade."

Improve Soldier and Family Housing

We are committed to providing quality housing for our Soldiers. Housing for single and married Soldiers has been improved significantly as a result of the Barracks Modernization Program and Residential Communities Initiative (RCI).

To improve substandard living conditions across our installations, we committed \$250 million to an immediate Barracks Improvement Program. As part of a longer-term Barracks Modernization Program, we will have funded 85 percent of our barracks modernization by the end of this year. We have programmed funding through 2009 to modernize our remaining barracks spaces. In addition, 45 percent of barracks for our recruits at our training centers will be modernized by 2011. Using vital supplemental funding, we also initiated a program to modernize the barracks used by Army Reserve and Army National Guard Soldiers during their annual training.

Through RCI, we are providing better family housing for our Soldiers by privatizing 82,000 homes at 42 installations. This program leverages private investment capital to improve housing at a much faster rate than traditional methods of financing and contracting for military construction. When completed in 2010, over 90 percent of Army housing in the United States will have been privatized. We have also constructed more than 3,600 family homes and renovated 6,300 existing homes using traditional military construction.

Improved housing, in barracks and quarters, provides Soldiers and families with a quality of life that recognizes their service to the Nation. These programs have a positive, enduring effect on Soldiers' morale, and contribute immeasurably to our ability to sustain our volunteer force.

Supporting Initiatives (Addendum C): The above areas of focus are reinforced by the following three supporting initiatives: Continue Army One Source; Establish Multi-Component Family Network; and Execute Child and Youth Services School Transition Support.

COMPELLING NEEDS

Support and funding to achieve critical recruiting and retention goals. Meeting these goals for all components will ensure the quality of our All-Volunteer force.

- Achieve an active component recruiting goal of 80,000 and retention goal of 64,200; an Army National Guard recruiting goal of 70,000 and retention goal of 34,900; and an Army Reserve recruiting goal of 36,500 and retention goal of 16,900.
- Continue support of Army initiatives to provide predictability and stability for Soldiers and their families in both the active and reserve components.
- Full funding and support for quality-of-life programs to sustain the All-Volunteer force, now being tested for the first time in a prolonged war.
- Support housing initiatives to provide quality housing for Soldiers and families at installations impacted by Base Realignment and Closure and the Integrated Global Presence and Basing Strategy.

PROVIDE INFRASTRUCTURE AND SUPPORT TO ENABLE THE FORCE TO FULFILL ITS
STRATEGIC ROLES AND MISSIONS

The infrastructure that the Army maintains plays a vital role in supporting the Joint Force. We are adjusting our global footprint to improve readiness at each of our installations. To free resources for more compelling operational needs, we are reengineering every one of our business processes. At the same time, we are completely transforming our infrastructure, consisting of installations, depots, and arsenals—and the information network that connects them—to reflect the deployment requirements and global commitments of the 21st century security environment, while becoming dramatically more efficient.

ACCOMPLISHMENTS

Since 9–11

Created the Installation Management Agency to unify the business structure of Army installations and to create uniformly high standards of quality for Soldiers and their families.

Developed a strategic stationing plan that synchronizes decisions of Base Realignment and Closure, Integrated Global Presence and Basing Strategy, Army Modular Force initiative, and the demands and realities of the Global War on Terrorism.

Optimized Power Projection Platforms to mobilize and deploy over 500,000 Soldiers to support the Global War on Terrorism.

2005¹

Awarded the General Fund Enterprise Business System contract to enhance the management of financial resources.

Planned and implemented an Army-wide Business Transformation initiative based on the Lean Six Sigma methodology to reduce the cost of the business side of the Army.

Identified and began initial implementation of substantial structural changes to the institutional base of the Army.

Implemented a strategic management system to measure Army performance and ensure optimum allocation of resources.

¹ Several continue into 2006.

Adjust Global Footprint to Create “Flagships of Readiness”

The Army is moving units and transforming posts through an effort that we call “Stationing.” In 2007, we will reposition major elements of our operational force (Figure 11). At the same time, we will establish the environmental foundation and initiate the renovation and construction needed to reposition schoolhouses, headquarters, and other support activities. Our stationing effort will posture our forces, logistics activities, and power projection infrastructure to respond to the demands of a complex, uncertain future as efficiently and effectively as possible.

We have produced a plan that integrates BRAC decisions, the IGPBS plan, and the Modular Force initiative. This plan allows us to divest Cold War era infrastructure and create the infrastructure required for the foreseeable future. We are consolidating activities by leveraging information technology and advances in supply chain management. We are also completely reengineering our business processes to eliminate waste.

This consolidation will yield tremendous savings over time. Our plan reduces overhead costs by streamlining the installation staffs, contract support, and infrastructure that will support units and activities at their new locations. We are exploiting this opportunity to become more efficient and more effective as we implement our stationing plan.

Stationing involves more than merely opening, closing, or realigning functions. It requires balancing military, economic, and strategic necessities to determine the scope and timing of closures, consolidations, construction, renovation, unit activations, and unit deactivations. We have scheduled all of these activities to occur in ways that will enhance the flow of forces to and from current global commitments.

MAJOR STATIONING MOVES IN 2007

1st Brigade, 1st Armored Division moves from Germany to Fort Bliss.
 212th Fires Brigade moves from Fort Sill to Fort Bliss.
 17th Fires Brigade moves from Fort Sill to Fort Lewis.
 Stryker Brigade Combat Team 7 activates at Fort Lewis.
 Battlefield Surveillance Brigades activate at Fort Hood and at Fort Bragg.
 Support Brigades (Maneuver Enhancement) activate at Fort Irwin and Fort Polk.

FIGURE 11

Our stationing plan and requirements for funding, construction, renovation, and environmental remediation are guided by a set of key goals: Use existing infrastructure to reduce cost and excess capacity; Minimize use of temporary facilities; and Place priority on barracks, housing, motor pools, ranges, and training facilities to ensure that our Soldiers are properly prepared for the challenges they will face.

While positioning the Army to better respond to the 21st century security environment, we are simultaneously working to ensure that our Soldiers and families enjoy the benefits of installations that are truly “Flagships of Readiness.”

The quality of our installations remains critical to accomplishing our mission. Our depots, training bases, and home stations enable the Army to: Build, train, deploy, and sustain our operational forces; Reset and regenerate combat power of returning forces for future missions; Provide homes, health care, essential support, and much of the quality of life that our Soldiers and families enjoy; and Provide the workplace for our civilian workforce of more than 230,000 people that is performing an increasingly important role in accomplishing the Army’s wartime mission.

Since 2001, the Army has made tremendous progress in enhancing training and generating combat power in time of war. Despite improvements, the Army still requires significant resources to overcome years of insufficient investments in its installations and infrastructure. We are committed to reducing our facilities recapitalization rate to meet the Department of Defense 67-year goal. If resourced, our stationing plan will produce installations better able to train and prepare our forces for future missions. Our plan will also provide a quality of life that our Soldiers and families deserve, and help to sustain the All-Volunteer force.

Implement Business Transformation Initiatives

We are fundamentally changing how the Army conducts business. Our goal is to streamline or eliminate redundant operations to free financial and human resources to redirect to our core warfighting missions. We are: Improving our processes to repair equipment and reset our forces; Reengineering our manufacturing and administrative processes; Outsourcing, where it makes sense; Seeking to make best use of economies of scale in all of our contracted services; Applying information technology to improve support and eliminate functions where possible; and Achieving cost savings in software and hardware while pursuing enterprise-level solutions in our networking practices.

COMPELLING NEEDS

Support to execute a carefully synchronized plan to achieve a new global basing posture while fulfilling the requirements of the National Military Strategy. The requirements of this plan (for renovation, construction, environmental remediation and other costs) will exceed the resources currently apportioned for base realignment and projected to be recouped through consolidation and closure.

- Support Army efforts to synchronize Integrated Global Presence and Basing Strategy, Base Realignment and Closure, and stationing of modular units.
- Support funding to achieve a 67-year facilities recapitalization rate.
- Maintain support for 2007 military construction requirements in accordance with the Army Modular Force initiative, Base Realignment and Closure, Integrated Global Presence and Basing Strategy, and other Department of Defense guidance.

Support for funding and authorities for Army Business Transformation initiatives to achieve targeted efficiencies through management reform, Institutional Army adaptation, and reengineered business practices. These initiatives will free human and financial resources for more compelling operational needs.

Across the Army, we are reengineering all of our business processes to achieve greater efficiency, improve quality, decrease cycle time, and reduce cost. The method we are using, Lean Six Sigma, has already produced a marked improvement in manufacturing and repair processes at all of our depots within the Army Materiel Command. Once fully implemented across the Army, with full adherence to labor laws and other administrative requirements, we will replicate these successes across the Army in all our activities.

Develop the LandWarNet Institutional Infrastructure

We are investing in information technology at our installations and reserve component facilities to lay the foundation for fielding LandWarNet. The Army's portion of the Global Information Grid, LandWarNet compromises both infrastructure and services. It moves information through a seamless network to better support our combat forces and the institutional structures that generate them. Our information technology infrastructure will enable operational forces to "reach back" for data, such as repair part visibility, intelligence and other support, and innovations such as telemedicine. This same technology is improving our ability to manage business.

Supporting Initiatives (Addendum C): The areas of focus discussed above are reinforced by three supporting initiatives: Execute Base Realignment and Closure; Improve Global Force Posture; and Improve Medical Infrastructure.

BALANCING RISK: THE TENSION BETWEEN CURRENT AND FUTURE DEMANDS

The Army has always experienced a tension between current and future demands, perhaps more now than ever before. Consistent investment in current and future readiness is needed to: Ensure that the size and mix of our components and capabilities are in balance; Enhance our global posture, agility, and readiness to conduct expeditionary operations on short-notice; and Organize, man, train, and equip our Soldiers to win today and tomorrow.

Meeting Today's Demands While Preparing for Tomorrow

The Army has adapted to fight the war on terrorism following a decade of insufficient modernization investments. At the start of combat operations, many of our units were under-equipped and not immediately ready for deployment, especially in our reserve components.

To meet Combatant Commander requirements, we had to aggregate equipment from across the force to fully equip those Soldiers deploying into harm's way. As a result, we significantly reduced the readiness of many units to prepare others for combat.

This readiness decision was especially evident in the Army National Guard during our national response to hurricanes Katrina and Rita. With help from the President, the Congress, and the Department of Defense via supplemental appropriations, we have been provided the means to address many of our equipment shortfalls and readiness requirements, yet we still have much to accomplish.

ARMY ACTIONS TO MITIGATE RISK IN 2005

Operational Risk

Funded our reset program to repair over 7,000 tracked and wheeled vehicles and over 550 helicopters;

Completed the modular conversion of 11 Brigade Combat Teams, including one Stryker brigade that will deploy this year; and

Implemented the ARFORGEN model to allow the Army to sustain a commitment of up to 18–19 Brigade Combat Teams with the ability to surge an additional 15–19 Brigade Combat Teams on short notice.

Future Challenges Risk

All tactical vehicles in Iraq and Afghanistan that operate away from forward operating bases have up-armored or add-on armor protection. Nearly 2,400 tactical wheeled vehicles do not have missions off of forward operating bases and are not armored; and

Restructured the Future Combat Systems program to “spin out” advanced technologies to Soldiers as they become available, rather than waiting for total system fielding.

Force Management Risk

Continued modular force conversions, enlarging the pool of available units to reduce the stress on the force;

Continued military-to-civilian conversion to free up Soldier positions from the Institutional Army to the Operational Army;

As a component of the ARFORGEN, initiated lifecycle management of 11 Brigade Combat Teams to keep Soldiers in units longer, improve unit readiness and cohesion, and provide greater predictability for Soldiers and their families; and

Created a stationing plan to better posture the force for deployments and other global commitments.

Institutional Risk

Implemented business transformation initiatives to improve how the Army does business and consequently reduce cost;

Awarded the General Fund Enterprise Business System contract to allow better financial management;

Created a stationing plan to improve strategic responsiveness and invest in our most critical installations; and

Invested in LandWarNet to improve each installation’s ability to manage information and better support operational forces.

To manage risk within acceptable levels during wartime, the Army requires:

- Full funding of the Army request in the 2007 President’s Budget and special consideration, in light of wartime demands, for avoiding any reductions to the Army’s budget and program. In addition, supplemental funding is required for combat and contingency operations and to continue to reset, repair, recapitalize, and replace battle losses of equipment for several years beyond major deployments. Supplemental funding is needed to overcome the stress on equipment resulting from sustained combat operations in harsh environments. These resources will ensure that the Army is fully manned, trained, and equipped to achieve victory in the war on terrorism. These resources will also enable the Army to maintain the momentum of key programs, while accelerating transformation.
- Funding to increase Army capabilities and overall capacity as well as support for the legislative authorities and programs needed to assure access to our reserve components—who, by necessity, have become an operational vice a strategic reserve. We must achieve a proper balance of capabilities and skills among our active and reserve forces and continue to build high-quality units to increase capability and ease the strain on our deployed Soldiers.
- Support and funding to achieve critical recruiting and retention goals needed to grow our operational forces. Meeting these goals for our active and reserve Soldiers sustains the quality and effectiveness of our All-Volunteer force.
- Funding for the FCS program—to enhance current force capabilities today with “spin outs” of available technology—and accelerate more than 300 other modernization programs. Our most critical investment program, FCS will be the

Army's first major modernization in over 30 years and will better prepare and protect Soldiers for current and future threats. These capabilities will directly benefit our active and reserve components, all U.S. ground forces, and our allies that support ground campaigns.

- Full funding to maintain momentum in building a rotational pool of 70 BCTs and more than 200 modular Support Brigades and headquarters. Already well under way, our transformation to become a fully modular force is preparing our Soldiers to conduct sustained operations of the type we see today. In addition, our transformation is increasing the depth and breadth of our capabilities to prepare our Soldiers for tomorrow's challenges, particularly as we evolve to maintain overseas presence with rotational units.
- Full funding for Army installations and support to execute a carefully synchronized plan to achieve a new global basing posture, while fulfilling the requirements of the National Military Strategy. This plan will make full use of the resources currently apportioned and projected to be recouped through consolidation and closings. Unanticipated costs associated with environmental remediation, renovation, construction, and other areas, may require additional resources in future years (a situation that will require continuous reevaluation). Full funding and continued support for Army installations and quality-of-life programs is required to sustain the All-Volunteer force, now being tested for the first time in a prolonged war.
- Support for funding and authorities for Army Business Transformation initiatives to achieve targeted efficiencies through management reform, Institutional Army adaptation and reengineered business practices. These initiatives will free human and financial resources for more compelling operational needs and accelerate other aspects of our transformation.

The Army is committed to producing units that are ready for the challenges they will face tomorrow and to overcoming years of underfunding prior to the events of 9–11. We have received unprecedented support to “buy back” much needed capability. We cannot, however, fool ourselves by maintaining large numbers of forces on paper that, in reality, lack the people, equipment, training, and support needed to accomplish the missions they will be assigned. We are determined to support our Soldiers and their families with an improved quality of life that matches the quality of the service they perform for America.

Building the capabilities required to hedge against the uncertainty of tomorrow will require prudent investments today. These investments must be sustained at predictable, consistent levels over time—a departure from historic patterns of spending which have increased our Nation's vulnerability at the outset of each of the major conflicts of the 20th century. As George Washington stated, “To be prepared for war is one of the most effective means of preserving peace.” Consistency in funding, even as the war on terrorism ebbs and flows, is absolutely essential to the Army's ability to preserve peace and freedom for the Nation.

PRESERVING PEACE AND FREEDOM FOR THE NATION

Guided by the Army Vision, we are accomplishing our mission today while building the future force—of Soldiers, leaders, modular forces and institutional support structures—to do so tomorrow.

We remain resolute in our determination to preserve peace and freedom for America. To identify, learn, and adapt to new challenges, we continue to focus on tough questions that will remain at the center of the defense debate:

- What are the strategic requirements of the 21st century? What decisions must we make now to fulfill our Title 10 obligation to ensure the Army, as part of the Nation's Armed Forces, is best prepared to defend U.S. interests in the face of traditional, irregular, catastrophic and disruptive challenges?
- How can we best prepare our leaders to become multi-skilled “pentathletes” able to operate confidently and successfully amidst the challenges and uncertainties we will face?
- Are joint land forces (Army, Marines, and Special Operations Forces) properly sized, structured, trained, and oriented to provide the capabilities needed to perform the missions that the Nation will require?
- What additional actions are required to ensure that our forces are organized, trained, manned, and equipped to be relevant to, and ready for, the challenges they will face?
- How do we ensure that our physical infrastructure (installations, depots, arsenals, and the network that connects them) best support our mission? How do we balance our resources to: Provide quality of life to sustain our volunteer force; maintain deployment facilities (air, ground, sea, rail, cargo, and other fa-

- cilities) to support Combatant Commanders' timelines; and establish a training base to prepare our Soldiers and units for the challenges they will face?
- How can we best leverage the human and financial resources we have been provided to ensure that we remain the world's preeminent landpower—ready to meet and relevant to, in capabilities and mindset, the challenges we will face?
- What will be the impact of protracted conflict on the All-Volunteer force? What combination of quality of life, compensation, incentives, service options, and other tools will be required to recruit, retain, and sustain the concept of the All-Volunteer force for the future?

With the support of the President, the Congress, and the Department of Defense, we are developing the capabilities and the capacity to sustain our global commitments and to prevail in the war on terrorism. We need your continued support to meet the needs of the Combatant Commanders and our Soldiers, who answer the Call to Duty by volunteering to serve the Nation in this time of war.

ACRONYMS

AC—Active Component
 ARFORGEN—Army Force Generation
 ARNG—Army National Guard
 ASEP—Army Spouse Employment Partnership
 AW2—U.S. Army Wounded Warrior Program
 BCT—Brigade Combat Team
 BOLC—Basic Officer Leader Course
 BRAC—Base Realignment and Closure
 CBRNE—Chemical, Biological, Radiological, Nuclear and High Yield Explosives
 CTC—Combat Training Center
 DOD—Department of Defense
 FCS—Future Combat Systems
 FTS—Full Time Support
 FY—Fiscal Year
 GBIAD—Ground Based Integrated Air Defense
 GDP—Gross Domestic Product
 HMMWV—High Mobility Multipurpose Wheeled Vehicle
 IED—Improvised Explosive Device
 IGPBS—Integrated Global Presence and Basing Strategy
 JIEDDO—Joint Improvised Explosive Device Defeat Organization
 JTF—Joint Task Force
 MFO—Multinational Force and Observers
 NDAA—National Defense Authorization Act
 OEF—Operation Enduring Freedom
 OIF—Operation Iraqi Freedom
 O&M—Operations and Maintenance
 QDR—Quadrennial Defense Review
 RC—Reserve Component
 RCI—Residential Communities Initiative
 RDA—Research, Development, and Acquisition
 REF—Rapid Equipping Force
 RFI—Rapid Fielding Initiative
 SAPI—Small Arms Protective Inserts
 SBCT—Stryker Brigade Combat Team
 TOA—Total Obligation Authority
 UAS—Unmanned Aerial Systems
 USAR—United States Army Reserve
 WMD—Weapons of Mass Destruction

ADDENDUM I (HELPFUL ARMY WEBSITES)

The following websites provide greater information on various topics:
 The Army Website: This site is the most visited military website in the world, averaging about 7 million visitors per month or 250 hits per second. It provides news, features, imagery, and references.
<http://www.army.mil>
 The Army National Guard: Provides information about the Army National Guard.
<http://www.arng.army.mil>
 The United States Army Reserve: Provides information about the Army Reserve.
<http://www.armyreserve.army.mil/usar/home>
 Army Families Online: This site provides information and links to other support programs that support our Soldiers and their families.

<http://www.armyfamiliesonline.org>
 Wounded Warrior Program: This site provides information on the Army's Wounded Warrior Program which provides support for severely wounded Soldiers and their families. It can be found through the Army Families Online website at <http://www.armyfamiliesonline.org>
 Deputy Chief of Staff for Personnel, G-1: For information on personnel issues. <http://www.armyg1.army.mil>
 Deputy Chief of Staff for Logistics, G-4: For information on Army logistics. <http://www.hqda.army.mil/logweb>
 Chief Information Officer, G-6: For information on Army Information Management. <http://www.army.mil/ciog6>
 Deputy Chief of Staff for Programs, G-8: For information on materiel integration. <http://www.g8.army.mil>
 Future Combat Systems: For information on the Future Combat Systems program. <http://www.army.mil/fcs>
 Army Logistics Transformation Agency: For information on Army logistics transformation. <http://www.lta.army.mil>
 Army Medicine: For information on Army medical programs. <http://www.armymedicine.army.mil>
 Army Posture Statement: For the web-based version of this year's Army Posture Statement and previous years versions. <http://www.army.mil/aps>
 Army Modernization Plan: Provides a detailed overview of the Army's organizational and materiel modernization efforts. <http://www.army.mil/features/MODPlan/2005>

ADDENDUM J: ADDITIONAL INFORMATION ON ARMY RELATED TOPICS

We have provided additional information on the following topics in the CD-ROM and web-based versions of the 2006 Army Posture Statement. They are available as in-text links and may be accessed through this addendum either on the CD-ROM or the Web.

Actionable Intelligence
 Active Component/Reserve Component Rebalance
 Adapting the Major Army Command Structure
 Add-on Armor for Tactical Wheeled Vehicles
 Army Barracks Modernization Program
 Army Capabilities to Dominate in Complex Environments
 Army Career Intern Program
 Army Community Service
 Army Energy Strategy for Installations
 Army Environmental Programs
 Army One Source
 Army Prepositioned Stocks
 Army Reserve
 —All-Volunteer Force and the Army Reserve
 —Army Reserve Child and Youth Services Program
 —Army Reserve Education Services
 —Army Reserve Employer Relations
 —Army Reserve Facility Management Transformation
 —Full-Time Support Revalidation
 —Regional Personnel Service Centers
 —Reserve Components Separate Competitive Categories for Officer Promotions
 —Selected Reserve Incentive Program
 —Sexual Assault Prevention and Response Program
 —Trainees, Transients, Holdees and Students Account
 —Voluntary Selective Continuation of Alerted and Mobilized Selected Reserve
 Lieutenant Colonels and Colonels
 Army Retention Program
 Army Spouse Employment Partnership
 Army Well-Being
 Army's Capstone Concept for the Future Force
 Base Realignment and Closure Decisions for the Army in 2005
 Basic Officer Leader Course
 Battle Command

Business Transformation
 Campaign Quality Force
 Child and Youth Services School Transition Support
 Civilian Aides to the Secretary of the Army Program
 Combating Weapons of Mass Destruction
 Combined Force Interoperability through Security Cooperation
 Concept Development and Experimentation
 Cultural Awareness and Language Capabilities
 Defense Integrated Military Human Resources System
 Defense Support to Civil Authorities
 —Avian Flu Pandemic Preparation
 —Establishment of Army Forces North
 —Hurricane Katrina Response
 —Special Events for 2005
 Deployment Cycle Support Program
 Expeditionary Capabilities
 Freedom Team Salute
 Future Combat Systems
 Future Combat Systems Manned Ground Vehicle Development
 Global Force Posture
 Information Assurance and Network Security
 Installation Design Standards
 Integrated Global Presence and Basing Strategy
 Interceptor Body Armor
 Joint Improvised Explosive Device Defeat Organization
 Joint Interdependency
 Joint National Training Capabilities
 Joint Tactical Radio System
 LandWarNet and the Global Information Grid
 Life Cycle Management Initiative
 Live, Virtual, Constructive Training Environment Integration
 Major Acquisition Programs
 —Future Combat Systems
 —Black Hawk Utility Helicopter
 —Medium Extended Air Defense System
 —Chinook Cargo Helicopter
 —Longbow Apache Attack Helicopter
 Medical and Dental Readiness
 Medical Infrastructure Requirements for Army Transformation
 Military-to-Civilian Conversions
 Modular Conversion
 Modular Force
 Multi-Component Family Network
 Naming Convention Decisions
 National Security Personnel System
 Rapid Equipping Force
 Rapid Fielding Initiative
 Recruiting an All-Volunteer Force
 Red Team Education and Training
 Reset
 Residential Communities Initiative
 Restructuring Army Aviation
 Review of Education, Training, and Assignments for Leaders
 Science and Technology
 Soldier's Creed
 Spiraling Technology into the Current Force
 Stability Operations Capabilities
 Stabilizing Soldiers and Units to Enhance Cohesion and Predictability
 Sustainable Range Program
 Sustaining the Force
 U.S. Army Combat Training Center Program
 U.S. Army Wounded Warrior Program
 Unity of Effort
 Up-Armored Vehicle Program
 Utilities Privatization
 Virtual Family Readiness Group
 Warfighter Information Network—Tactical
 Warrior Tasks and Battle Drills

Senator STEVENS. General Schoomaker, we'd be happy to have your statement.

STATEMENT OF GENERAL PETER J. SCHOOMAKER

General SCHOOMAKER. Chairman Stevens and Senator Inouye and other distinguished members of the subcommittee, it's a pleasure to be with you today.

I'm going to limit my opening statements to some introductions, if I might. But I would like to start out by telling you, again, how proud I am to be able to serve with these great soldiers and their family members that we have today.

And, in direct answer to Senator Dorgan, which I'd be glad to expound upon later, if you want, we now, after 4 years at war, which is, by the way, longer than World War II—we now have deployed approximately 52 percent of our regular force. And we are doing a study to look at the Reserve forces, as well, to figure it out.

RETENTION

Of those soldiers that we have deployed overseas on either Operation Iraqi Freedom (OIF) or Operation Enduring Freedom (OEF), 75 percent—in excess of 75 percent of those soldiers that have deployed have re-enlisted and are remaining in the current Army. As you look at the deployments increasing—yeah, this sounds counterintuitive, but as they increase, so does the percentage of those that remain, all the way up to—I have charts here that—from the study that indicates that we have soldiers—for instance, soldiers on their fifth deployment, 93 percent of them have remained in the Army. So, there is a dynamic taking place here that's extraordinary, in my view, that speaks very well to the dedication of these soldiers and their professionalism.

I also believe it talks to the effect of our transformational efforts to balance the Army and to achieve some predictability and increased readiness in the force as we go forward. So, I'd be glad to talk more to that later.

I would like to introduce those that are present with us today that I think we should recognize for your situational awareness. First of all, we have Lieutenant General Clyde Vaughn, all the way to the right, who is the Director of the Army National Guard, and Lieutenant General Steve Blum, who is the Chief of the National Guard Bureau. Next to Steve is Lieutenant General Ron Helmly, who is the Chief of the Army Reserve. You all recognize yourself there, so that—then directly behind me—I know they're posted all over all the post offices around the country, so you probably recognize them—somebody not in the post office, but they should be, is Lieutenant General Jerry Sinn, who is directly behind me. He is the military deputy for the Army Budget, who is very, very important to us.

I would—it's with a great deal of pleasure that I now introduce three soldiers, one Active, one Guard, one Reserve. And these soldiers are typical and representative of those soldiers that we've got serving in our great Army. And I'd like to start with Sergeant Billie Grimes, who is sitting here. Some of you may have seen her on the cover of Time magazine. She's the center soldier. She is a combat medic. And she served, previously, 4 years in the Army Re-

serve. She's now on active duty, serving at the Army—U.S. Army Medical Research Institute of Infectious Diseases (USAMRIID) up at Fort Detrick, up where we have USAMRIID.

Now, Sergeant Grimes was serving on OIF with the 1st Armor Division, and is the young combat medic that saved the life of the Time reporter who lost a portion of his arm and his hand to a grenade attack, where she responded very quickly. She was part of the 501st Forward Support Battalion who was supporting a field artillery unit there that was doing duties in Baghdad. And as Senator Inouye pointed out, not only is she the proud recipient and wearer of the Combat Medical Badge, which is like the Combat Infantry Badge. I mean, it's a very, very highly respected badge. She also has three Army commendation medals (ARCOMs). And you'll notice, as Senator Inouye pointed out, she also has a Good Conduct Medal, which most of us don't get to earn, because we're not enlisted soldiers—but, anyway, we're very proud of Sergeant Grimes and her service.

Next to her is Staff Sergeant Sean M. Boiko. And Sergeant Boiko is from Van Nuys, California, a member of the Army Reserve. And he is an MP, a 31 Bravo, one of the most deployed Military Occupational Specialty (MOS), just like Sergeant Grimes' MOS, 91 Whiskey. Currently, he is in the community-based healthcare system program at Fort Meade, Maryland, where he is working to overcome his wounds so that he can remain in the Army.

You'll notice he wears the Purple Heart, the ARCOM, and the Combat Action Badge. Sergeant Boiko was a member of an eight-man Military Transition Team (MiTT), which is our military transition teams that are training the Iraqi army. And he was stationed between Fallujah and Ramadi in some tough country in al Anbar Province, where he came under attack by an improvised explosive device (IED) and ended up being evacuated for his injuries. He had injuries to his left arm, hearing loss, and very severely herniated disks in his back. And he's now been through about 6 months of rehabilitation, and they feel that, within the next several months, that he will be able to achieve the standards to remain in the Army, which is his desire to do. We're very proud of him, as well.

You'll notice he wears a 2nd Marine Division patch on his right shoulder because that's who he was supporting out there.

Thank you, Sergeant Boiko.

Now, this last fellow is Specialist Jason Mike, and he's from Radcliff, Kentucky. He's in the Kentucky Army National Guard. He also is a medic. Notice he's wearing the Combat Action Badge. And he was with a Military Police (MP) Company that was on Route Tampa during OIF3, where he ended up in an action that has become well known. This was a convoy of about 30 trucks that was ambushed by over 50 insurgents. And his MP platoon responded, and they got into about a 45-minute firefight.

Now, what's interesting is, you'll notice he's kind of built like a football player, and that's because he was. He was a fullback. And so, in the middle of this action, Specialist Mike ends up with a squad automatic weapon in one arm, and a M-4 carbine in the other hand, fighting in both directions at the same time in his trench line, where, after having killed 27 anti-Iraqi-force insur-

gents, wounding six, capturing one, and after firing an anti-tank weapon at one of the strongholds that they had, he then turned to treating the wounded there, and, as a result, was awarded the Silver Star for his actions.

So, again, we're very, very proud of him and what he represents.

I will wrap up, saying that we have submitted a posture statement for the record, which is our formal statement. I stand behind the Secretary and his statement, and, again, stand prepared to answer your questions.

Thank you.

Senator STEVENS. Well, thank you very much, General.

Without objection, we'll set our time limit at about 7 minutes.

Mr. Secretary and General, I'm going to have to go back and make a statement on the floor here before the hour is out, so the co-chairman will conduct the hearing.

ARMY NATIONAL GUARD FORCE STRUCTURE

Mr. Secretary, the budget for the Army now reflects an Army National Guard strength at 333,000 soldiers. We were told, the press reported, that we're going to be 350,000 soldiers. And then there was reduction. And 75 Senators, including ourselves, signed a letter to Secretary Rumsfeld about the importance of the National Guard. And I understand there's now been a decision to keep the 350,000. But we haven't had a budget amendment to cover them. How are we going to pay for them?

Mr. HARVEY. Our original plan, as you noted, Senator, was to fund the National Guard at whatever level they could recruit and retain. So, for the last 14 or 15 months, that's been on the average of 333,000, with the proviso that if they recruited and retained to a higher number, we would fund to that number. Now, in order to go—the basic soldier cost to go from 333,000 to 350,000 is approximately \$300 million, including the basic complement of soldier, equipment, and—their pay, and their benefits, and their training. So, we would submit a—if required, a change to the budget in order to fund that.

Senator STEVENS. You're not now over the 333,000.

Mr. HARVEY. We're slightly over it. I believe we're between 335,000 and 336,000 right now. So, the Guard, for the last 5 months, unlike the preceding 13 or 14, is meeting their recruitment goals. So, it's all good news right now. They are starting to turn the corner. They had leveled off in the high 20s. They were down to 328,000 to 329,000, and stabilized about 333,000. And now they're growing—again growing. So, whatever number that they can recruit and retain, we will fund to that number. And if reprogramming is necessary, we'll submit the request to the appropriate committees to do that. For fiscal year 2006 they are funded at 350,000.

Senator STEVENS. General, what changes have been made in the Army National Guard that are structural? And can you really tell us, is your concept still the total force Army—Active, Guard, and Reserve? Is that still the concept we're working on?

ARMY FORCE GENERATION MODEL (ARFORGEN)

General SCHOOMAKER. Sir, that is still the concept. We're talking about a single force. Where the Guard and Reserve in the past have been considered a strategic reserve to be called up, for instance, in the cold war sense, with an awful lot of forewarning, what we are now doing is organizing, training, and equipping a total force—Active, Guard, and Reserve—on a common modular basis, where all of the brigades, by type, are the same. And our intent is to man and equip all of the brigades at 100 percent of requirement, placing them in a force rotation model that gives all of the forces predictability, in terms of when they are susceptible for deployment—fundamentally, the Active Force, on a one-and-three rotation; the Guard, on a one-and-six rotation—in other words, at about half the speed; and the Army Reserve, on a one-and-five rotation.

Senator STEVENS. This modularity concept, then, the Active and Guard are equipped and trained the same, right?

General SCHOOMAKER. Exactly the same, sir.

Senator STEVENS. Are they interchangeable, the brigades?

General SCHOOMAKER. Totally. I might also add that if you take a look at the 2005 to 2011 program for the Army, there is approximately \$21 billion worth of equipment investment in there, which is more than four times the previous program's investment in the National Guard. And that does not count the approximately \$2 billion worth of investment in new aviation going into the Guard and Reserve.

Senator STEVENS. Well, Mr. Secretary, last year we were talking about converting to 34 brigade combat teams. Now our staff tells us recent briefings have indicated there's 28 units. Is that the top number now, 28?

Mr. HARVEY. The fundamental change from last year, which, I might note, was driven by the Army's best estimate of what the steady-state deployment requirements would be. And based on the Department of the Army's best estimate in anticipation that the Quadrennial Defense Review (QDR) would give us a better number, we chose 20 brigade combat teams, which then, if you put that into the rotational models that the chief talked about, you would come up with 43 brigades in the Active, and 34 in the Guard. And that's how we got to those numbers.

QUADRENNIAL DEFENSE REVIEW

Coming out of the QDR, the QDR said the strategic window for steady-state deployment coming out of operational assessments and other judgments was—between 18 and 19 was sufficient strategically to meet the needs of the 21st century security environment.

Using that as a steady-state, we decided that we could do that with 42 in the Active and 28 in the Guard. So, that's where those two numbers came from. That was demand-driven, where the previous numbers were really an estimate, a supply-driven estimate, in anticipation of the QDR.

We have a number that is determined by a strategic assessment. We feel good about that number.

In conjunction with the 28, however, we also looked at the Guard structure and decided we did not have enough support brigades for their State mission. So, we increased the number of support brigades by six. When you add it all up, they started out with 106. They ended up with 106. And, as I mentioned in my opening remarks, the mix is different. And we believe that mix is consistent with their dual mission, their State mission, as well as their national defense mission.

Senator STEVENS. Well, this is going to have to be my last question, but we've got the future combat system now, costs are up from \$92 billion, as estimated, to now \$160 billion. We're having modularity, the global posture review, future combat systems. These are all budgetary challenges. And are they all financed within the amount that's been requested here?

Mr. HARVEY. Yes, the Army modular force and the future combat system are in the base budget for fiscal year 2007.

Senator STEVENS. Thank you very much.

Gentlemen, I hope you'll excuse me. There's—I've got to debate an amendment on the floor.

Senator INOUE [presiding]. Thank you very much.

TRICARE

General Schoomaker, when I had the privilege of serving in the military, only 4 percent of the personnel in my regimental combat team had dependents—they were married and had children; 96 percent had no dependents whatsoever. Today, I believe, in the United States Army, it's somewhere between 70 and 75 with dependents. Whenever I visit an Army base, I ask for the privilege and opportunity to chat with enlisted personnel. No officers around. It never fails, the first question asked is on health benefits for the dependents. And now, the DOD is talking about copayments for benefits, for pharmaceutical items. My question to you, will this have any impact on recruiting, and especially retention?

General SCHOOMAKER. Sir, I don't believe so, because the copayment issue does not affect the Active Force. The Active Force is covered totally. And I'm talking about those soldiers that are serving. The issue that you're describing affects those that have retired from Active duty——

Senator INOUE. But not for pharmacy. The copayment affects Active personnel also, in the hospital.

General SCHOOMAKER. Sir, I'd have to check on that.

Mr. HARVEY. We'd have to check on that. But they do have—the option is that you don't have to pay anything if you use the national service.

General SCHOOMAKER. I don't believe there's any change in the current——

Mr. HARVEY. No.

General SCHOOMAKER [continuing]. Practice of—what we are trying to encourage people to do is use the mail pharmacy program.

Mr. HARVEY. Yes.

General SCHOOMAKER. I will check and provide it for the record. [The information follows:]

The proposed changes do not increase pharmaceutical costs for Active duty Soldiers and do not increase costs for active duty families or retirees if the prescription

is filled at a military treatment facility or through the TRICARE mail-order system. However, the proposal would increase prescription drug co-payments for dependents and retirees who use a retail pharmacy. I have attached a slide outlining these proposed co-payment changes for fiscal year 2007.

TRICARE PHARMACY

	Active Duty		Active Duty Families		Retirees	
	Current	Proposed (fiscal year 2007)	Current	Proposed (fiscal year 2007)	Current	Proposed (fiscal year 2007)
MTF:						
Generic
Brand Name
Non-formulary
Mail Order:						
Generic	\$3	\$3
Brand Name	9	\$9	9	\$9
Non-formulary	22	22	22	22
Retail:						
Generic	3	5	3	5
Brand Name	9	15	9	15
Non-formulary	22	22	22	22

General SCHOOMAKER. But the main emphasis of the recommendation that we've made is to capture or to help control the costs of those—of retired persons, up to the age of 65, before Medicare kicks in. So, what we are trying to do is arrest this excessive growth, and to normalize the copays back to the time in which they were started. There's never been an adjustment to this.

EQUIPMENT MODERNIZATION

Senator INOUE. Twenty-five years ago, when Chairman Stevens and I began our service on this subcommittee, the Army had so-called big five systems, the M1 tank, the Bradley, the Blackhawk, Apache, and the Patriot missiles. Today, you're still buying these systems. Do we have any new ones?

Mr. HARVEY. Yes, we do, Senator. The future combat systems is that ground-based modernization that will provide the next-generation man-ground systems, as well as a number of other supporting systems that will make both the current force and that future force more effective. In terms of—we also have, in parallel with that, a very large aviation modernization program, which consists of two new helicopters, the light utility helicopter, which is mainly for the National Guard, and the armed reconnaissance helicopter, which is a replacement for the OH58 Kiowa Warrior. We're also modernizing the fleet, in terms of the next model of the Blackhawk, conversion of the Apaches from the A to D model, and the upgrade of the Chinook. We have a very broad-based helicopter program and a very broad-based program to upgrade the ground based, and also developing the next-generation theater air defense, the PAC3 MEAD system. So, across the board, we're modernizing.

General SCHOOMAKER. Sir, if I could add to that. If we do not pursue the future combat system, we will not have a new start in over 40 years of a major system like the Bradley tank, the things that you mentioned. We are not building new tanks, and we're not building new Bradleys. We are refurbishing them with the reset money and the rebuild money that we have asked for. The power

of the future combat system is in the spinouts, the four technology spinouts that we are taking to put over the top of the existing reset force. And the manned ground vehicles, which are the final piece of this, that bring in the new systems that are beyond 2014. I think it's important to recognize that the restructuring we did on flight control systems (FCS) last year—or the year before, is an important piece of how we're modernizing the force. And the business transformation of FCS the Secretary brought in is working on the affordability.

STRYKER BRIGADE COMBAT TEAMS

Senator INOUE. I note that we were very enthusiastic about the Stryker. But now, in the fiscal year 2007 budget, you're asking for less. I think you've cut it in half.

Mr. HARVEY. Well, Senator, in the mix of the 42 brigade combat teams and of the 28 I talked about, 7 are Stryker brigade combat teams. And we're very high on the Stryker system, and we view that as a bridge between the heavy units that we have today and the future combat system of the future. The eight manned ground vehicles that the Chief mentioned. It's an excellent force. There are going to six in the Active, and one in the Guard. But I think what you saw, the decrease, is because we're getting to the end of that program. We've fielded three to four already. We're going to complete the remaining three.

RECRUITING AND RETENTION INCENTIVES

Senator INOUE. I have one last question, Mr. Secretary. The Army faces a \$1 billion shortfall in bonuses and incentives for recruiting and retention; the Reserve, \$360 million; and the National Guard, \$250 million. My question is, Why doesn't your fiscal year 2007 fully fund these requirements?

Mr. HARVEY. Senator, the numbers I'm looking at, in terms of recruiting and retention incentives, show increases in the base budget between all the years. We'll submit these for the record.

But I'm looking, for example, that last year recruiting and retention incentives are about \$300 million. This year, 2006, we requested \$341 million, and then, 2007, an increase. But we'll get you those numbers for the record.

And the other thing is that we also include incentives and advertising in the supplemental. Unfortunately, this is just the way it's proposed. We'll provide, for the record, the total between base budget and supplemental fiscal year 2006 to 2007 so you can see the total package.

Senator INOUE. Well—

Mr. HARVEY. And I think you're going to see that there's an increase.

Senator INOUE. I ask the question, because we want to be helpful to you.

Mr. HARVEY. I know you do. And we appreciate the past support. And you've been very, very generous. And, by the way, I think that is a key ingredient in the fact that for the last 9 months we have made our recruiting goals in the Active. And we're kicking in some additional incentives because of what you passed in the 2006 budget. And I think they're having a very beneficial effect.

For the record, we'll get you the entire package, because you've got to look at the two components together.

Senator INOUE. Thank you, sir.

[The information follows:]

RECRUITING AND RETENTION BUDGET FOR FISCAL YEAR 2007

Fiscal year 2007 recruiting and retention budget request support a peacetime base force of 482,400 Army. Our current planning assumes continued recruiting and retention challenges. We continue to evaluate the Army's recruiting and retention requirements, and to work with OSD and the Administration to refine our total requirements during our nation's time at war.

ENLISTED RECRUITING AND RETENTION BUDGET

[In millions of dollars]

	Fiscal year—			
	2004	2005	2006	2007
AC:				
PB/Appropriated	322	305	305	392
Title IX/Supplemental		257	575	
Reprogramming	24	190		
Executed	346	752	505	
USAR:				
PB/Appropriated	129	135	189	178
Title IX/Supplemental		9	217	
Reprogramming				
Executed	112	130	133	
ARNG:				
PB/Appropriated	216	244	376	383
Title IX/Supplemental		54	195	
Reprogramming		196		
Executed	215	494	353	

Senator INOUE. Senator Shelby.

Senator SHELBY. Thank you.

DEPOT FUNDING

Secretary Harvey, it's my understanding—and you correct me if I'm wrong—that the Army's intent is to, what you call, “pure fleet” its active duty armor brigades with M1A2 SEP tanks by procuring at least one brigade, or 60 tanks, at every budget opportunity. Would it not make sense—assuming that's true, would it make sense to ensure that both the 2006 supplemental and the 2007 appropriations bill fund these 60 SEP tanks?

Mr. HARVEY. As you know—you may be referring to the supplemental that we proposed and the supplemental that was—

Senator SHELBY. Right.

Mr. HARVEY [continuing]. That made it through the system. Our position is that, provided that the supplemental request that was not included in the 2006 supplemental, it will be included in the 2007. So, we have a master plan to, as you say, “pure fleet” both the Active and the Guard, and we've got, of course, the industrial organic capability to do that at our depots. And so, we view, over the next 2 years, if those are funded per our request—so, what wasn't funded in 2006 is funded in 2007 bridge, we're okay. We've got detailed plans of loading the depots. And, provided that's timely, I think we feel like we have sufficient funding to do that. And

it's very important that we do that, because that's all part of having a fully resourced Army.

Senator SHELBY. Got to have it, hadn't you?

Mr. HARVEY. Got to have it.

UNMANNED AERIAL VEHICLES (UAVS)

Senator SHELBY. General, unmanned aerial vehicles, some of us are concerned that the Air Force is considering options which would effectively give them procurement authority and operational control of the extended-range multiple-purpose unmanned aerial vehicle program. What steps has the Army taken to ensure that this does not happen, if that's going down that road? I mean, the Army's got a big role to play here, I believe. And you're playing it.

General SCHOOMAKER. Well, I would agree. And I do not foresee the situation that you described.

Senator SHELBY. I hope not.

General SCHOOMAKER. Because we are working hand-in-glove with the Air Force, as you know, on a Center of Excellence——

Senator SHELBY. Absolutely.

General SCHOOMAKER [continuing]. At Indian Springs, which primarily has to do with the whole notion of how we have common tactics, techniques, and procedures, and how we maintain command and control, so that we can share the——

Senator SHELBY. Absolutely.

General SCHOOMAKER [continuing]. The take from these. But the extended range multi-purpose (ERMP) UAV program is a purely Army program that is tied to our force structure and is organic——

Senator SHELBY. And your needs, right?

General SCHOOMAKER. Excuse me?

Senator SHELBY. Your needs in the Army.

General SCHOOMAKER. Exactly. I do not see this as an issue at all. And it certainly has never risen as an issue between the Chief of Staff of the Air Force and myself. We have a very good——

Mr. HARVEY. Let me say, Senator, also, that——

Senator SHELBY. Okay.

Mr. HARVEY [continuing]. That we continue to explore ways that we can jointly develop——

Senator SHELBY. Absolutely.

Mr. HARVEY [continuing]. Components so that we can minimize the cost. I think a good example of——

Senator SHELBY. Well, we've encouraged you to do this in a lot of areas.

Mr. HARVEY. Yes. A good example of our close cooperation with the Air Force is the joint cargo aircraft——

Senator SHELBY. Right.

Mr. HARVEY [continuing]. Which we are now developing together. So, we continue to explore that, but, at the same time, we have unique needs that we need to develop on our own.

General SCHOOMAKER. I'd like to add, too——

Senator SHELBY. Yes, sir.

General SCHOOMAKER [continuing]. Before we leave this. If you remember, when we restructured and canceled Comanche——

Senator SHELBY. Absolutely.

General SCHOOMAKER [continuing]. And we restructured Army aviation, we gave up the buy of a considerable amount of manned rotary-wing aircraft——

Senator SHELBY. Yes.

General SCHOOMAKER [continuing]. For the ERMP capability. This is inherent to our Army aviation structure, to our intelligence, surveillance, reconnaissance (ISR) structure in the Army, and it is not something that, in my view, can be farmed out. This is a level below what it is that the Air Force brings in on——

Senator SHELBY. Thank you.

General SCHOOMAKER [continuing]. Their systems.

JOINT CARGO AIRCRAFT (JCA)

Senator SHELBY. Secretary Harvey, if I can go back, you mentioned the joint cargo aircraft. And when you develop something jointly, there are costs involved. If the Air Force is going to use it as a single platform, the Army's going to use it, is it more than you need for the Army, or will the jointness take care of everything?

Mr. HARVEY. You mean the basic——

Senator SHELBY. Sometimes we'll—are the needs for the Air Force more than you need in the joint cargo aircraft?

Mr. HARVEY. This——

Senator SHELBY. Would it cost——

Mr. HARVEY. The least—the design is——

Senator SHELBY. Do you see what I'm getting at?

Mr. HARVEY. Yes, I do. The basic design of the aircraft, I think, is a convergence of the needs of both services.

Senator SHELBY. Right.

Mr. HARVEY. Then you get a common platform, and then you make modifications to that platform, depending on what specific needs you have. If you added up A plus B, which is we go our way, they go their way, but we go together, C is less than A plus B. So, I think, overall, it's a savings. And both services know that to be successful, both needs——

Senator SHELBY. Sure.

Mr. HARVEY [continuing]. Have to be met. So, I'm very optimistic that we'll do it, and we'll also save the taxpayers money.

Senator SHELBY. That's what we want to do. But, first, the mission.

Mr. HARVEY. That's right.

JOINT COMMON MISSILE (JCM)

Senator SHELBY. The joint common missile, I bring that up again. You know, it was terminated in December 2004 in the budget decision 753, even though a lot of us thought it had a healthy low-risk program. It was on schedule, it was on budget, and successfully demonstrating important new capability for the warfighter.

In 2006, Congress appropriated \$30 million, General, you will recall, for the JCM. What's the plan for 2007? And why was funding not included for the JCM in the 2007's—President's budget? Mr. Secretary, you want to——

Mr. HARVEY. There's a joint study ongoing——

Senator SHELBY. It is.

Mr. HARVEY [continuing]. In the joint staff, an analysis of alternatives. And my understanding is, there's going to be a decision made by the Joint Chiefs of Staff Requirement Oversight Council (JROC) in April—

Senator SHELBY. Yes.

Mr. HARVEY [continuing]. And a recommendation made to the Deputy Secretary in May, and a decision. So, the decisionmaking process is fully engaged right now. Depending on what course of action they decide, then we will certainly request funding for that program, either by reprogramming or—internally—or externally, ask the committee to reprogram.

So, I think a thoughtful program is going on. I think it's been established that there is a capability gap in both Navy and Army. And so, it's not "if," it's "how" to best meet that gap. We may—

Senator SHELBY. Thank you.

Mr. HARVEY [continuing]. Be back for some reprogramming action.

Senator SHELBY. Mr. Secretary, General, we thank you—I do—for serving. Again, we are proud of these soldiers you brought us here. We all are. And we should all acknowledge that.

Thank you, Mr. Chairman.

Senator INOUE. Thank you very much.

One last question, sir. Your 2007 budget request calls for \$111 billion.

Mr. HARVEY. Right.

UNFUNDED REQUIREMENTS

Senator INOUE. Your supplemental is \$35 billion. And there's another item, called the "Unfunded List," of \$7.4 billion. Some of my colleagues have been asking me, "Are these requirements?"

Mr. HARVEY. I think the Chief is best prepared to answer that.

General SCHOOMAKER. I'm not sure which unfunded list you're asking for. We traditionally have been asked, from the House, for an unfunded requirements list. In general, with more dollars, what we would do is accelerate our plan. That's what we want to do, is accelerate the plan that we're on. It's a very tightly knit plan, the Army campaign plan that pulls all this together. My view is, the faster we can execute it, the cheaper it will be and the smarter we will be by getting it accomplished in anticipation of budgetary pressures in the out-years. That would be my answer to you.

Senator INOUE. In other words, in order to make your fiscal year 2007 budget request really work, the unfunded list is necessary.

Mr. HARVEY. Let me just state as follows. The end state, Senator, in terms of force structure, in terms of our modernization programs that we've talked about, the end state being the 70 brigade combat teams, the 211 support—that will not change. We believe that that force structure and our modernization programs and the other funding that you provide in—for recruiting and retention, it's just a matter if we want to accelerate that and reduce institutional risks or—not operational risks. This would be running the factories, running the depots. You know, if you got the big momentum going, we want to keep it going. So, it just—it would accelerate us getting to the end state that we—the Chief and I—which is a fully

resourced—that is, a fully equipped, trained, and manned Army across all components—to the numbers we talked about. That’s what we would do.

General SCHOOMAKER. Sir, if I could just add. I just want to make sure I’m very clear in the answer that I gave to you. In the past, you might have seen an unfinanced requirement list that would have said, “Look, we had to make decisions, and we had to leave things out.”

Mr. HARVEY. Yes.

General SCHOOMAKER. In this case, we are funding our plan totally at the speed at which we get funding. If we were to achieve more funding, we would go faster on exactly the same program.

Mr. HARVEY. Right.

General SCHOOMAKER. And that was what I was trying to say there. And I think——

Mr. HARVEY. Right. We’re not——

General SCHOOMAKER [continuing]. It supports what——

Mr. HARVEY [continuing]. Leaving anything out.

General SCHOOMAKER. Right.

Mr. HARVEY. It’s a matter of timing. The quicker, the better, I think, because of the risk involved. And so, I think we would reduce risk if we get there faster. But, this is very acceptable.

ADDITIONAL COMMITTEE QUESTIONS

Senator INOUE. Mr. Secretary, General Schoomaker, on behalf of the chairman, I thank you for your service and for your testimony today. And I’d like to thank the three heroes here with us, and their comrades who are now serving us. Thank you very much.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO GENERAL PETER J. SCHOOMAKER

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

HYPERBARIC TREATMENT

Question. General Schoomaker, I have been informed that hyperbaric treatment helps reduce tissue loss from wounds and could mean the difference between amputation above or below the knee, elbow or other major joint. Funds were appropriated in the fiscal year 2006 budget for the Army to purchase and emplace a hyperbaric chamber for the Walter Reed Army Medical Center to help treat wounded veterans returning from Iraq and Afghanistan. Would you agree we should provide these veterans with quality care and the best chance for recovery? Could you provide this Subcommittee with an update on the status of this project?

Answer. The Army is committed to providing the best possible healthcare to wounded Soldiers. The medical benefit of hyperbaric treatment for most of the Soldiers treated at Walter Reed Army Medical Center is very limited. Most of these patients had amputations performed prior to reaching Walter Reed, so hyperbaric capability at Walter Reed would not have prevented these amputations. In fiscal year 2005, 10 patients from Walter Reed, including six retirees, three Soldiers, and one family member, were provided hyperbaric therapy at local civilian hospitals at a total cost of \$73,049. Additionally, funds were appropriated for the Navy to purchase and emplace a hyperbaric chamber for the National Naval Medical Center at Bethesda. For the very small number of patients at WRAMC who would benefit from this therapy, it is much more cost effective to buy hyperbaric therapy from civilian hospitals. The Army does not have a clinical need for a chamber at Walter Reed and does not have the necessary staff to use a chamber as intended. Given the Base Realignment and Closure decision to close the existing Walter Reed cam-

pus, it is not in the Army's best interest to put a chamber at Walter Reed that will not generate a return on investment in terms of purchased care savings or research capabilities. The Army has asked the Subcommittee to reconsider this project and to allow us to use the appropriated funds to upgrade the Magnetic Resonance Imaging machine which will benefit many of the combat casualties, Soldiers, families, and retirees cared for at Walter Reed.

INTRA-THEATER AIRLIFT

Question. General Schoomaker, I know the Army has budgeted to procure a new intra-theater light cargo aircraft to replace the C-23 Sherpa aircraft and the CH-47 Chinook heavy-lift helicopters. Under Secretary Kenneth Krieg directed the Army and the Air Force to complete an acquisition strategy for a new Joint Cargo Aircraft program, and I have been informed that earlier this month a joint program office charter, with the Army as lead agency, was announced. General, will the Army's intra-theater cargo lift requirements be fully met by the joint cargo aircraft procurement?

Answer. The Joint Cargo Aircraft (JCA) program will meet the Army's organic intra-theater fixed wing cargo aircraft lift requirements by providing the capability to transport time-sensitive, mission-critical resupply, and key personnel transport at the tactical level. The Army's approved Aviation modernization plan and fixed wing Organization & Operations (O&O) plan calls for the replacement of the existing Army utility and cargo fixed wing aircraft with two aircraft variants; the Future Cargo Aircraft (FCA) and the Future Utility Aircraft (FUA). The Army initiated the fixed wing modernization with the FCA program. The FCA is scheduled to replace the Army's aging and less capable C-23 (Sherpa) fleet, its C-26 (Metroliner) fleet, and a portion of the C-12 (King Air) fleet. The FCA is not a replacement for the CH-47 (Chinook); the FCA system provides a complementary capability to the CH-47 helicopter. The Army plans to begin development of the FUA Critical Capabilities Document (CDD) in fiscal year 2009.

On December 20, 2005, the Office of the Secretary of Defense (OSD) issued a Program Decision Memorandum (PDM) that directed the Services to develop and brief a FCA/Light Cargo Aircraft (LCA) Joint Program Office Plan to the Defense Acquisition Executive (DAE), Mr. Krieg, no later than February 28, 2006. The Services initiated the process of folding the Air Force's LCA emerging capabilities into the Army's FCA program in January 2006. Between January 12 and March 17, 2006, the Services developed a Joint FCA Acquisition Strategy Report (ASR), a draft Joint Program Office Charter, and a draft Memorandum of Agreement, which together detail the way ahead for convergence of the two programs into a single JCA program. These agreements state that the Army will be the initial lead for the JCA program and that the JCA Program Office will be located in Huntsville, Alabama. On March 17, 2006, Mr. Krieg approved the Joint FCA ASR and the JCA request for proposal was subsequently released.

Question. General Schoomaker, can you update the committee on the timeline making the selection for the new Joint Future Cargo Aircraft?

Answer. The JCA request for proposal was released on March 17, 2006 and are due no later than May 17, 2006. The Services' JCA source selection process will begin in May 2006 and proceed through December 2006. The Services anticipate Milestone C and contract award in January 2007.

Question. General Schoomaker, has the merging of the Air Force's requirements with the Army's on this program affected the Army's target date for deployment of the aircraft?

Answer. The Army's FCA ASR was forwarded for the DAE's approval on November 15, 2005. At that time, the Army anticipated releasing the FCA request for proposal on December 15, 2005. On December 20, 2005, the Office of the Secretary of Defense issued a PDM that provided initial funding to the Air Force to initiate development of a LCA program. The same PDM directed the Services to develop and brief a FCA/LCA Joint Program Office plan to the DAE, Mr. Krieg, no later than February 28, 2006. On December 22, 2005, Mr. Krieg withheld his approval of the Army's FCA ASR pending completion of a Joint (Army/Air Force) FCA ASR. The joint Future Cargo Aircraft ASR was subsequently approved by the DAE on March 17, 2006 resulting in a three month slip in the Army portion of the JCA program. The Army still anticipates the first unit being equipped in fiscal year 2009.

Question. General Schoomaker, will the Army explore having U.S. allies join the program in the developmental phase—as a number have done with the Joint Strike Fighter program—or do you know if coalition nations have expressed an interest to purchase this new cargo aircraft?

Answer. The JCA is a commercially available aircraft, currently offered on the open market, and to date no U.S. coalition partners have requested to participate in the JCA program. While it is possible for coalition nations or NATO partners to procure JCA directly from the original equipment manufacturer, once the vendor is selected some coalition partners may seek to participate in the U.S. sponsored program.

ARMY MODULAR FORCE

Question. General Schoomaker, I continue to watch the Army's transformation efforts with interest. As I understand it, instead of divisions being the centerpiece of the Army, brigade combat teams will be a strategically agile force that can "plug into" joint and coalition forces in an expeditionary manner. Could you describe what the Army will look like at the end of fiscal year 2007 and the rate at which the remainder of the Army to include the National Guard will become a modular force?

Answer. Modular transformation is the most dramatic restructuring of forces since World War II. The centerpiece is the building of brigade combat teams (BCT) and associated multi-functional and functional support brigades. The Army also is rebalancing our forces to create the right mix of units, develop critical Soldier skills, and build effective operational and institutional forces across all three components. The Army is building toward 70 BCTs and 211 multi-functional and functional support brigades. By the end of fiscal year 2007, the active component will have converted 29 modular BCTs and activated nine new modular BCTs. Additionally, the active component will have built 32 multi-functional and functional support brigades. Active component modular transformation will be completed by fiscal year 2010. The Army National Guard is building toward 28 BCTs in a total of 106 brigades by the end of fiscal year 2011. By the end of fiscal year 2007, the Army National Guard will have converted 25 BCTs and built 50 multi-functional and functional support brigades. However, the BCT conversion primarily addresses changes in unit designs and manning to facilitate recruiting and individual training. The equipping upgrades to complete the conversions of these brigades will extend through fiscal year 2011. The Army Reserve will have 65 support brigades by fiscal year 2007. However, with completion of modular transformation in fiscal year 2011, the Army Reserve will re-size to a total of 58 multi-functional and functional support brigades. The Army is currently conducting a collaborative effort with the Army National Guard Adjutants General to address warfighting requirements, current operational demands and potential Homeland Defense missions. The results of this effort may change the number and type of BCTs and support brigades in the Army National Guard beginning in fiscal year 2008.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

TRAINING OF IRAQI SECURITY FORCES

Question. The Administration and the Pentagon continue to repeat the mantra, "When the Iraqis standup, we will stand down." However, here in the Congress, we continue to receive mixed reports on the progress of training a capable Iraqi Army. While it is my understanding that the number of Iraqi battalions able to function "in the lead" (or at Level 2) has increased to over 50 today, I have also heard that the number of Iraqi battalions at Level 1, or able to operate fully independently, has recently dropped from one to zero.

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. Will you please explain why we have had such difficulty transitioning Iraqi forces from Level 2 to Level 1? How is it that not one Iraqi battalion is able to function independently of coalition forces?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. Are you confident the U.S. military in Iraq has enough qualified trainers to adequately train the Iraqi forces? Should U.S. commanders on the ground shift additional forces from security duties to training?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. What percentage of the Iraqi Army controlled by the Ministry of Defense is Sunni? To what extent are former officers and soldiers—disbanded through our "Debaathification" policy—returning to serve in the Army? What incentives are being provided to lure Sunni recruits?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. What is the ethnic makeup of the Iraqi battalions in an advanced state of readiness? What percentage of these battalions are made up of Kurdish and Shiite recruits?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. What steps are being taken to integrate units to create an ethnically and religiously diverse Iraqi force? From a security standpoint, is diversity even desirable?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. Will the emerging Iraqi forces have enough independent technical capabilities (communication networks, air power, heavy armor, weaponry, and intelligence logistics) to operate on their own without U.S. assistance in the near future?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. What is the timeframe for creating an Iraqi Army which is superior in force and skill to the Sunni insurgency or any of the Shiite or Kurdish militias?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. This year was labeled the "Year of the Police" by the Pentagon—a phrase clearly intending to indicate a renewed effort to train Iraqi security forces under the control of the Iraqi Interior Ministry. Please describe current U.S. oversight activities vis-a-vis the Iraqi police forces, particularly the paramilitary units under control of the Interior Ministry? How can the United States and Iraq further prevent Shiite militias from dominating local police forces?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. How would you assess the progress over the past 3 months in the training of Iraqi police units?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. To what degree do you remain concerned about the infiltration of police forces by: the insurgency? local militias? Iran?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

Question. What are the greatest barriers that coalition troops currently face in their efforts to train an effective police force in Iraq?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

ARMY TRANSFORMATION AND THE C-17 AIRCRAFT PROGRAM

Question. Reports suggest that the Mobility Capabilities Study (MCS)—which was supposed to provide the Pentagon an accurate projection of future strategic airlift requirements—neither takes into account (1) the Army's transition to a modular brigade force structure nor (2) the Future Combat Systems (FCS) program. Consequently it is my understanding that DOD has commissioned a new study (MCS-06) to address these and other areas that the previous MCS study failed to account for in considering the military's future air mobility needs. With this being the case, has the Army ever articulated or estimated the airlift requirements that will be connected to the mobilization of the 15 Future Combat Systems (FCS) brigade combat teams (BCTs)?

Answer. The Army is in the process of establishing the airlift options available to Joint Forces Commanders to support the deployment of Future Combat Systems (FCS) Brigade Combat Teams (BCTs). The 2005 Mobility Capability Study (MCS 05) focused on the strategic lift requirements for the 2012 timeframe. The study did not consider deployment of FCS equipped forces. MCS 05 examined the strategic mobility capabilities provided by the current pre-positioning, sealift and airlift programs of record and found them to provide sufficient lift. The strategic airlift modeled in the MCS 05 study consisted of current programmed fleet of 180 C-17s, 112 C-5s and the Civil Reserve Air Fleet (CRAF), and found it to sufficient to meet lift requirements. We realize that now and in the future, deployment and sustainment of heavy Army forces in support of the combatant commanders (COCOMs) will employ a mix of airlift, sealift, and pre-positioned stocks. Maintaining this balance provides multiple options for deployment and employment of force. The Army requested a

Joint analysis of requirements for global airlift, sealift, and pre-positioned stocks extending through 2024 and will support the MCS-06 study.

Question. If not, when does the Army anticipate it will be able to provide the Air Force a realistic projection of its airlift requirements based on its transition from a division-centric to brigade-centric force?

Answer. Developing strategic lift requirements is a Joint process which has to consider the type, amount, and location of forces to be moved. MCS 06 will capture the modular mobility requirements for sealift, airlift and associated pre-positioning. COCOMs dictate the timing and location for the delivery of Army forces within the context of a Joint Force flow. Personnel and equipment required during the first 30 days of a conflict will be given the highest priority for movement by airlift. The heavy units that are needed in less than 30 days may be pre-positioned rather than have them compete for strategic airlift. Finally, the equipment and sustainment items not required in the first 30–45 days will likely be delivered by sealift. The Army provides input to the development of these requirements by providing Joint Staff and COCOM planners with Army Future Force concepts of employment and capabilities. COCOM and Joint planners will then develop the Joint Force flow requirements that will be used to development total Joint lift (sea and air) requirements. Pre-positioned stocks will also be used to fill shortfalls in either sealift or airlift due to wither speed of delivery of sealift or physical capacity (amount of lift) of the aircraft.

Question. Under the Global Posture Review, 38 of the Army's 42 active-duty brigade combat teams (BCTs) will eventually be stationed in the Continental United States, Alaska, and Hawaii. At any one time, the Army hopes to have up to 19 of these BCTs (14 active and 4–5 reserve) PLUS associated operational headquarters and support brigades—ready for operations world-wide. Given this force reconfiguration—based on operational requirements—are you confident there will be sufficient military airlift to transport up to 15 of these brigade combat teams (BCTs), along with the associated headquarters and support units, from bases in the United States to a crisis area?

Answer. Airlift is only one portion of strategic lift capability to deploy Army forces. The bulk of Army combat power will be projected by sea. Airlift, coupled with sealift and globally pre-positioned stocks, provides for both rapid employment and long-term sustainment of Army forces. The 2005 Mobility Capability Study (MCS 05) which modeled strategic airlift requirements based on the current programmed fleet of 180 C–17s, 112 C–5s and the Civil Reserve Air Fleet (CRAF) indicates that DOD has sufficient strategic airlift available through the 2012 timeframe. Both the Army transformation to modular brigades and restationing in response to the Global Posture Review will be completed within the timeframe considered.

CIVIL WAR IN IRAQ

Question. We have seen a significant increase in the number of Iraqis killed in sectarian violence over the past 3 months. Reports suggest that over 1,000 have died since the February 22nd bombing of the Golden Mosque in Samarra and over the weekend we discovered more evidence of revenge killings in a mass grave that included 30 beheaded bodies. Former Iraqi Prime Minister Ayad Allawi has stated his belief that Iraq is already experiencing a civil war. However, Pentagon officials and the Administration have taken great pains to dispute the idea that we have entered into a period of civil war in Iraq.

For the record, do you believe Iraq is now enmeshed in a “civil war?”

If not, how would you define a “civil war?”

Finally, assuming that Iraq is now (or does) face a full-blown civil war, how does this affect U.S. military strategy and the status of U.S. troops deployed in the region?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

TROOP REDUCTIONS

Question. Does the Army plan to reduce its endstrength in Iraq this year? Next year?

Answer. In accordance with title 10, U.S. Code, the Army is charged with organizing, manning, training and equipping a force capable of fulfilling current and future Secretary of Defense-approved requirements of combatant commanders. Thus, the Army force scheduled to deploy in future rotations to Iraq is conditional upon periodic strategic and operational assessments from the Commander, U.S. Central Command (CENTCOM). The number and type of forces requested by the

CENTCOM commander may fluctuate as the political, economic and security conditions in Iraq and Afghanistan evolve over time.

TROOP REDUCTIONS/TRAINING OF IRAQI SECURITY FORCES

Question. Do you agree with General Casey that a drawdown in U.S. troops might ease some of the enthusiasm for the ongoing insurgency in Iraq?

Answer. The President's National Strategy for Victory in Iraq is very clear in that we will help the Iraqi people build a new Iraq with a constitutional, representative government that respects civil rights and has security forces sufficient to maintain domestic order and keep Iraq from becoming a safe haven for terrorists. To this end, the Army is committed to providing General Casey with the required Army capabilities for success on the ground in Iraq.

TROOP REDUCTIONS

Question. Secretary of State Rice and Chairman of the Joint Chiefs of Staff General Pace have both suggested in recent days that it is likely that the military will drawdown troop levels sometime this year. Last fall General Casey, the top commander in Iraq, stated that a reduction in American troops would take "away an element that fuels the insurgency."

How do you think that a reduction in the number of American forces would affect the rise in sectarian violence in Iraq?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

IRAQ'S INFLUENCE IN IRAQ

Question. Earlier this month, Secretary Rumsfeld said in a press conference that Iran is "currently putting people into Iraq to do things that are harmful to the future of Iraq. They're putting Iranian Qods Force-type people into the country."

Can you provide more information on this statement—how many Iranian nationals have you found in Iraq, what are they doing, and are they collaborating with the Iraqi SCIRI party?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

QUESTIONS SUBMITTED TO FRANCIS J. HARVEY

QUESTIONS SUBMITTED BY SENATOR TED STEVENS

MODULARITY

Question. What is the estimated total cost of the Army's modularity initiative? How much funding has been provided to date to implement the modularity initiative? What is the estimated amount of future funding needed to complete the modularity initiative?

Answer. The Army estimates the total cost of the modularity initiative at \$52.5 billion through fiscal year 2011. To date, the Army has received \$6.5 billion: \$5 billion in the fiscal year 2005 supplemental and \$1.5 billion programmed in the base budget in fiscal year 2006. The estimated amount needed to complete the Army modularity initiative is \$46 billion.

FUTURE COMBAT SYSTEM (FCS)

Question. What is the estimated total cost of the FCS program? How much funding has been provided to date for the FCS program? What is the estimated amount of future funding needed to complete the FCS program?

Answer. As reported in the Program Manager, Future Combat Systems (Brigade Combat Team) (PM FCS (BCT)) Selected Acquisition Report, dated December 31, 2005, the estimated total cost is \$119.9 billion (fiscal year 2003 Base Year dollars) or \$164.6 billion (then year dollars). From fiscal year 2003 through fiscal year 2006, the FCS program has been appropriated in the amount of \$8 billion (then year dollars) while only receiving actual funds of \$7.6 billion. With the current funding schedule, the estimated funding requirement is approximately \$157 billion (then year dollars).

RESETTING THE FORCE

Question. To date, how many units has the Army reset? How much funding has been provided to date to reset Army units? Based on current information, how much future funding is needed to reset Army units?

Answer. The Army has reset or will have reset a total of 95 brigade-sized or brigade combat team elements from fiscal years 2004–2006. The break-out of brigade-size elements by year is shown below:

TOTAL ARMY BCT'S

Component/Unit	No. BCT's or units
Active:	
3ID	5
4ID	5
2/82	1
3/1 ID	1
3ACR	2
101st	6
2ACR	1
1/10	1
2/10	1
Various	3
NG:	
45th Inf	1
Various (no BDE sized elements all various CS/CSS)	4
USAR: Various (no BDE sized elements all various CS/CSS)	5
Total Army BCT's Supported in Fiscal Year 2004	36
Active:	
101 ID	6
4 ID	6
172 ID	1
1 AD	1
10 MNT	3
Various (no BDE sized elements all various CS/CSS)	3
NG: Various	4
USAR: Various	2
Total Army BCT's Supported in Fiscal Year 2005	26
Active:	
3ID	5
1/82d	2
1/25th	1
2/2ID	1
3/1 AD	1
3 ACR	2
2/10th 2 (1 BCT, plus DISCOM slice)	2
1st COSCOM	1
Various (no BDE sized elements all various CS/CSS)	3
NG: Various	12
USAR: Various	3
Total Army BCT's Being Reset in Fiscal Year 2006	33

BUSINESS TRANSFORMATION

Question. Please describe how the Army is accelerating Business Transformation efforts in the fiscal year 2007 budget request. What is the estimated total cost to implement Army Business Transformation efforts? What is the estimated total savings the Army expects to achieve as a result of Business Transformation efforts?

Answer. To explain how the Army is accelerating Business Transformation efforts in the fiscal year 2007 budget request, the scope of Army Business Transformation needs to be understood, then how specific budget requests accelerate this transformation and associated total cost and savings can be explored.

Our business transformation initiatives include Continuous Process Improvement (CPI) using the Lean Six Sigma (LSS) methodology, Business Situational Awareness, Organizational Analysis and Design (OAD), and Professional Development.

We have started the largest deployment of Lean Six Sigma ever attempted. This effort is underway with training, education, and project selection. Projects will be both centrally sponsored for crosscutting initiatives as well as command specific; a combined top-down and bottom-up approach to accelerate the transformational effect. The result will be reduced cost and cycle time while increasing quality, production, reliability, and safety.

Business situational awareness is the product of timely and accurate information to support policy and resource allocation systems. These enterprise information solutions will provide Army leaders clarity on systems and processes where today it is difficult to observe.

Organizational Analysis and Design examines functions and structure of organizations, then redesigns and realigns organizational elements as necessary to accomplish the mission/work assigned. This analysis, design, and alignment will reduce redundancies and ensure organizations can effectively and efficiently fulfill the needs of our warfighters.

Professional Development of Army Leaders is critical to successful business transformation and the Army is examining ways to broaden the education, training, and experience of our officers and civilians to meet the complex challenges of leading the Army business enterprise. This initiative area will help educate and develop leaders of Army enterprises so that they are fully prepared for the challenges of leading the Army's complex business organizations.

To ensure these efforts are successful and to highlight their importance, we created the Office of the Deputy Under Secretary of the Army for Business Transformation, headed by Mr. Michael Kirby.

The scope of the efforts just reviewed is immense, literally touching or impacting every facet of the Army. The fiscal year 2007 budget request accelerates these efforts by: funding the initial wave of projects and certification for lean six sigma (LSS) deployment (\$7.8 million in fiscal year 2007); with opportunities to all subordinate organizations to reallocate their training budgets to invest in this primary effort.

The answer to the question of total cost is elusive for several reasons. Since business transformation includes efforts that will become embedded in the fabric of the Army, these efforts will not end; instead, they will become a self-sustaining Army capability, changing the way we do business. For example, the LSS deployment is using industry experts, where the Army lacks them, to train, create, and certify Army experts who will soon be able to do the training, and certification of future Army experts. Thus a better understanding of the relevant cost for the Continuous Process Improvement and Organizational Analysis and Design efforts is likely start-up costs—the lean six sigma certification and initial project costs identified above.

The cost of providing business situational awareness in most cases will be embedded within the technology that we are obtaining to help manage the Army enterprise. The transformational aspect is how we use the data that enterprise resource planning (ERP) programs provide not necessarily the program itself. While it might be technically correct to include the cost of all ERPs in the total cost of business transformation, I think it is more appropriate to attribute these costs to the functions each ERP is being designed to produce and that is the way they are shown in the fiscal year 2007 budget request.

No cost estimate currently exists for professional development since it is still under intense study and no specific course of action has been determined.

The answer to the question of total savings is as elusive as total costs not only in an accounting perspective but also due to replication and economies of scale. The benefits generated from business transformation in many cases are not directly pecuniary—LSS and OAD will increase responsiveness and quality; SA will increase the quality of decision making; and professional development will help create more capable leaders. Likewise some of the savings are impossible to estimate at this point—LSS and OAD projects are still being scoped; SA will identify redundancies that are currently unknown; and professional development impacts cannot be estimated until the path forward is decided.

The answer to this set of questions may lack the specificity desired. This highlights one of compelling reasons that we need to transform the way we do business. As we move forward to the Army will share the results of these initiatives with you.

RESTRUCTURING THE FORCE—AC/RC REBALANCE

Question. When does the Army expect to complete the AC/RC rebalancing effort? What costs are associated with implementing the AC/RC rebalancing initiative? How is the AC/RC rebalancing effort synchronized with the Army modular force effort?

Answer. Active component/Reserve Component (AC/RC) rebalance is always an on-going part of force re-structuring as the Army addresses the right mix of capabilities to meet strategic and operational requirements. Beginning with the Program Objective Memorandum (POM) for 2004–2009, the Army formally identified restructuring initiatives affecting the mix of capabilities across all three components. Subsequent initiatives were generated by the Secretary of Defense guidance in July 2003, concerning the reduction of involuntary mobilization of the RC in the first 15 days of a rapid response operation, and limiting involuntary mobilization to not more than one year every six years. Additionally, the Chief of Staff, Army, focus area in early 2004, addressed manning issues, high demand/low density capabilities and the establishment of training overhead accounts (Transient, Trainees, Holdees and Students—TTHS) for the RC. Under these three phases of force re-structuring, the Army program identified over 125,000 spaces of change between fiscal years 2004–2009. At the end of 2005, the Army had completed re-structuring efforts affecting over 30,000 spaces—approximately 21,000 in the rebalance of capabilities across the three components and over 9,000 affecting the elimination of over structure and the establishment of TTHS accounts in the RC. Costs for phase one and phase two initiatives were reflected as offsets across existing programs to capture the changes in equipment, facilities, and operational tempo as force capabilities were rebalanced across the components. The costs for phase three have been reflected in the re-investment of existing programs and improved readiness as RC overstructure is eliminated. With implementation of modular transformation beginning in fiscal year 2004, additional re-structuring initiatives will occur through fiscal year 2011. Based on the results of Total Army Analysis (TAA) 2008–2013, and the efforts underway with POM 2008–2013, the Army will update its AC/RC rebalancing program in a report to the Office of the Secretary of Defense in June 2006. The update will synchronize AC/RC rebalance initiatives with the Army Campaign Plan and will ensure all re-structure and rebalance efforts are linked to modular transformation.

BASE REALIGNMENT AND CLOSURE (BRAC)

Question. What is the Army total cost estimate for implementing the BRAC recommendations?

Answer. The current Army BRAC estimates are in the range of \$15 to \$18 billion. The fiscal year 2007 President's budget request funded \$9.5 billion for Army BRAC through the BRAC implementation period (fiscal year 2006–2011). For fiscal years 2006 and 2007, the requirements of \$4.4 billion fully fund the program. The Army continues to refine the remaining BRAC implementation requirements to be resourced and these will be documented in the 2008/2009 BRAC President's budget request.

INTEGRATED GLOBAL PRESENCE AND BASING STRATEGY (IGPBS)

Question. What is the Army's estimated total cost to implement IGPBS decisions? How much funding has been provided to date to implement IGPBS decisions? What is the estimated amount of future funding needed to implement IGPBS decisions?

Answer. The Army estimates the total cost of IGPBS at \$2.9 billion through fiscal year 2013. This includes Base Realignment and Closure IGPBS stationing actions included in the 2005 BRAC Commission Report. In fiscal year 2006 the Army has funded \$460.8 million; \$337.6 million for BRAC and \$123.2 million base budget (MCA—\$12 million; MPA—\$33 million; OMA—\$66.7 million and OPA—\$11.5 million). The remaining estimated amount needed to complete IGPBS is \$2.4 billion.

WARFIGHTER INFORMATION NETWORK—TACTICAL (WIN-T)

Question. What is the Army plan for transitioning from Joint Network Node to WIN-T? Please explain how the WIN-T program has been rebaselined to support the FCS program? What is the estimated total cost of the WIN-T program? How much funding has been provided to date for the WIN-T program? What is the estimated amount of future funding needed to complete the WIN-T program?

Answer. Currently, the Army is assessing how to optimize transition from the procurement and fielding of the Joint Network Node to Warfighter Information Network—Tactical (WIN-T). The WIN-T program's re-baselining supports Future Com-

bat Systems (FCS) by aligning the availability of configuration items to support FCS integration and lab testing. Afterward, WIN-T will provide form fit and function products that meet prescribed space, weight, and power dimensions and liquid-cooling technology for integration into FCS platforms. The total acquisition cost for the WIN-T program per the December 2005 Selected Acquisition Report (SAR) is estimated in fiscal year 2003 constant (base year) dollars at \$10.6 million for Research, Development, Testing and Evaluation (RDTE) and procurement costs. The total acquisition cost in then year dollars is \$14.2 million. The total amount of funding provided to date in fiscal year 2003 constant (base year) dollars (2002–2006) for WIN-T is \$322.6 million. Adjusted for inflation, this amount is \$335.7 million (then year dollars). The estimated amount of future funding needed to complete the WIN-T program estimated in fiscal year 2003 constant (base year) dollars is \$10.2 million. Adjusted for inflation, this amount is \$13.8 million (then year dollars) for RDT&E and procurement.

JOINT TACTICAL RADIO SYSTEM (JTRS)

Question. Prior to the JTRS program restructure, what was the Army total cost estimate to develop and field JTRS Cluster 1 and JTRS Cluster 5 radios? What is the Army's current total cost estimate to develop and field JTRS radios? How has the Army JTRS fielding plan changed as a result of the program restructuring?

Answer. The JTRS Program had programmed approximately \$3 billion in the Future Years Defense Plan (FYDP) prior to the restructuring. After the restructuring, the current estimate to develop the total JTRS Increment 1 program, which includes the air, ground, and maritime domains is now approximately \$4 billion in the FYDP. The Army portion of this DOD enterprise-wide estimate is approximately one-third of the \$4 billion. This estimate was approved by the Department in November 2005 at the Defense Acquisition Board (DAB). The Increment 1 development is designed to deliver critical networking capabilities to the warfighter. Future incremental developments will add additional capabilities as technology matures and funding becomes available.

Since the program has been restructured, the Army's fielding plan has changed to accommodate the revised funding and program timelines approved by the DAB. In general, the JTRS program restructuring delayed the fielding of JTRS capabilities about two years. The FCS program, as well as other Army fielding plans, has been synchronized to achieve JTRS capabilities as soon as the JTRS begins to field its systems (fiscal year 2009/10).

ARMY TRANSFORMATION AND THE C-17 AIRCRAFT PROGRAM

Question. What is the estimated total cost to implement the recommendations of the Army Aviation Task Force? How much funding has been provided to date to implement Army Aviation Task Force recommendations? What is the estimated amount of future funding needed to complete implementations of Army Aviation Task Force recommendations? Please describe how Army Aviation Modernization efforts have changed since completion of the Army Aviation Task Force review?

Answer. In 2003, the Chief of the Staff, Army (CSA) directed Army aviation to become a "capabilities based maneuver arm optimized for the joint fight with a shortened logistics tail." The desired outcome is aviation units in modular configuration that are agile, flexible, deployable, and sustainable.

The Acting Secretary of the Army and CSA recommendation to terminate the Comanche program was supported by the Secretary of Defense and approved by the President on February 20, 2004. It was subsequently briefed to Congress the week of February 23–27, 2004.

In order to implement the aviation focus group recommendations and CSA-approved decisions, all funding resulting from the termination of the Comanche program and all funding within aviation programs will remain with the Aviation Battlefield Operating System for the resourcing of aviation programs.

Army aviation funding, from both the aviation base budget and Comanche reprogramming, totals \$12.2 billion (fiscal year 2005–2007) and is applied in accordance with the aviation investment strategy. Retention of funding within Army aviation, combined with the commitment from senior Army leadership, the Secretary of Defense, Congress, and the President, creates the opportunity to "fix" Army aviation. The challenge is in maintaining the long term fiscal discipline necessary to fully implement the strategy.

The aviation investment strategy supports the Army Aviation Modernization Plan, included in the Army Modernization Plan, which describes the changes intended to improve Army capabilities to meet current and future full-spectrum aviation requirements. The Aviation Modernization Plan was developed based on a full

Doctrine, Organization, Training, Leadership and Education, Materiel, Personnel, and Facilities analysis that included the integration of lessons learned from recent operations.

Army aviation is moving aggressively to (1) Satisfy current and future operational capabilities; (2) Modernize the entire fleet while supporting current deployments; (3) Rapidly acquire best materiel solutions by facilitating correct and comprehensive policies; and (4) Achieve Joint interoperability, modularity and deployability through transformation.

RECEIPT OF SUPPLEMENTAL FUNDS

Question. Secretary Harvey, it would be helpful if you could explain how soon you will need the Supplemental funds requested for the Global War on Terror which were requested in mid-February. Also, could you share with the committee what impact there would be from any delay in receipt of the requested funds?

Answer. We will need the Supplemental enacted in May in order to receive the funding by early June. After this date we risk exhausting all funds from both Title IX and base programs and could face insolvency in some appropriations.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

ARMY NATIONAL GUARD END STRENGTH

Question. Secretary Harvey, the fiscal year 2007 budget funds the Army National Guard at 333,000 and not the congressionally mandated 350,000. I understand this is part of the Army's plan to transform and to modernize.

A positive aspect of your plan is that National Guards units would, for the first time, be resourced equivalent to active forces. I also understand there is a commitment from the Department to fund the Army National Guard to the strength they are able to recruit, up to 350,000.

Based on current indicators, the National Guard will exceed retention goals. In Mississippi for example, the Guard achieved 101 percent of their retention mission during a very difficult time that they were supporting the Global War on Terror and trying to deal with the terrible effects of Hurricane Katrina.

My question to you is how will the Department fund the increase in personnel when Guard recruiting and retention goals are achieved?

Answer. The Army is committed to funding the Army National Guard to 350,000 in fiscal year 2007. Cost per 1,000 National Guard Soldiers is difficult to capture based on each Soldier's varied status in the National Guard. For example, Soldiers mobilized for Operation Iraqi Freedom costs differ dramatically from a Soldier performing weekend drill on inactive duty for training. Efforts are ongoing regarding the equipment/investment (procurement) restoral, and the total amount depends on the final outcome of force structure adjustments.

EQUIPMENT READINESS

Question. Secretary Harvey, I understand that high utilization rates and extreme conditions in Iraq and Afghanistan continue to take a toll on military equipment. I have also been informed that traditionally, units returning from combat operations bring their equipment back with them. However, in order to minimize transportation costs and keep key items in the combat zone, this has not been the case relative to Iraq and Afghanistan. For example, the 155th Separate Armor Brigade from Mississippi left 370 trucks, 14 wreckers, and 20 ambulances in Iraq which impacts readiness and its ability to conduct training and homeland security missions along with responding to the Governor's call.

Are funds requested in this budget request and in the fiscal year 2006 Supplemental adequate to finance the repair and replacement of equipment damaged or destroyed during combat operations in Iraq and Afghanistan?

And do they ensure the Guard, Reserve and active units have the equipment at their home stations necessary to maintain readiness ratings, conduct training and respond to homeland security missions or natural disasters?

Answer. The key to our ability to sustain our long-term commitments at home and abroad is to reset our equipment and make near and long-term investments in a better equipped, more capable force. To achieve this, we need Congress to support our reset and investment strategies specified in our program and supplemental requests for fiscal years 2006 and 2007.

As you know, years of under-funding for the Army prior to 9/11 resulted in a \$56 billion "hole" in readiness across all three components due to insufficient modernization to fill existing shortfalls and emerging needs. That "hole" deepens due to battle

damage and operational wear and tear. We maintain sustainment stocks in theater to rapidly replace battle losses in the short-term to mitigate risk to Soldiers and operations. We also prioritize dollars and equipment to deployed units, sustainment stocks, and next-deployers to ensure deployed Soldiers have what they need to accomplish assigned missions. All of this results in lower resource levels among units across the Army that are resetting and training for homeland or global operations.

Resetting equipment through repair, recapitalization, and replacement is a wise and critical investment that provides Soldiers the equipment they need and enables the Army to accelerate its transformation to more capable units. However, reset requirement costs are over and above the normal costs to sustain the Army, and we expect the total reset bill for fiscal year 2006 to be nearly \$13.5 billion. In accordance with DOD policy and intent, we rely on Supplemental funding to pay for our reset program.

With previous Congressional help, we increased our depot production capacity for repair and recapitalization by 250 percent from where it was before the war, and we reset 37 brigade combat teams in the last two years. Many of those brigades have already returned to theater in their more capable, modular configuration. We have also increased and fenced our investment accounts for the Reserve Component to more than \$24 billion in fiscal year 2005–11.

Fiscal year 2007 will be pivotal for the Army. While the Office of the Secretary of Defense has not yet submitted a request for supplemental funding in fiscal year 2007, the anticipated funding in fiscal year 2006 and fiscal year 2007 will enable us to address reset while protecting our investment accounts. Resetting and investing will enable us to transform and provide better manned, trained, and equipped Army units for full spectrum operations in defense of the nation at home and abroad.

BASE REALIGNMENT AND CLOSURE (BRAC)

Question. Secretary Harvey, included in last year's BRAC was the decision to close the Mississippi Army Ammunition Plant (MSAAP) on Stennis Space Center. Since the facility was located on land leased from NASA, I understand the facility will be turned over to NASA. I understand NASA and the Army are in discussion concerning this transfer; however, it seems the two parties are at an impasse. I am hopeful the Ammunition Plant can be the first property transferred off the Army's rolls. Could you provide the subcommittee with an update on where the Army is in the BRAC process, to include the status of the Mississippi Army Ammunition Plant?

Answer. The Army is in discussions with NASA and plans are continuing to move the Mississippi Army Ammunition Plant back to NASA by the end of calendar year 2006.

LIGHT UTILITY HELICOPTER (LUH)

Question. Secretary Harvey, I understand the Army is in the process of selecting a commercial helicopter to fill the role of your Light Utility Helicopter to be used for non-combat missions. I congratulate you for deciding to use a helicopter that is already in production and which does not require any research and design funding. It would seem to me that this approach will save the taxpayers money and provide the Army with the needed platform in a very short period of time. Can you please highlight how that process is going?

Answer. Given that the Army chose to fulfill the LUH requirements through the acquisition of an existing commercial available FAA certified aircraft the Army was able to reduce the timeline from concept development/refinement to acquisition to less than 36 months. This enables us to fulfill our commitment to modernizing the Army National Guard with a new light utility helicopter within the next five to seven years. The LUH request for proposal was released on July 26, 2005, and the source selection activity began October 20, 2005. The competitive source selection is currently underway and the Army anticipates Milestone C and a contract award in early summer 2006.

QUESTIONS SUBMITTED BY SENATOR ARLEN SPECTER

ARMY HERITAGE AND EDUCATION CENTER

Question. In 2001, the Army decided to incorporate a facility at Carlisle that would support the Army Heritage and Education Center. The facility would serve as both as a storage and conservation facility for the Army Heritage Museum collection and would serve as a conservation facility for the collection of historic docu-

ments and photographs Army-wide. This facility was initially programmed for funding in fiscal year 2006 and according to my information is now programmed in fiscal year 2009. Could you update me on the status of the project and explain why the project keeps slipping though the design of the facility is complete and the need for the facility remains?

Answer. The Museum Support Facility was initially programmed for funding in the fiscal year 2005 Future Years Defense Program (FYDP) for fiscal year 2009 and remains in fiscal year 2009 in the current FYDP. The design is currently 95 percent complete and could be ready to advertise in approximately three months.

NATIONAL MUSEUM OF THE UNITED STATES ARMY/ARMY HERITAGE AND EDUCATION
CENTER—COMPLEMENTARY PROJECTS

Question. In November 2001, Assistant Secretary Fiori indicated that the National Museum of the United States Army and the United States Army Heritage and Education Center (AHEC) were complementary projects, not competitive and that they have different, but equally important missions. Since then, the Army has provide \$5 million to contract with the Army Historical Foundation to raise funds for the National Museum of the United States Army facility while the Army Heritage Center Foundation which is raising funds for the AHEC has received no Army funding support. In supporting the Army Historical Foundation's fundraising effort, it appears that the Army does not consider that the AHEC is equally important. You have legislative authority to enter into agreements with the Army Heritage Center foundation to support the design, construction and operation of the AHEC. The Army Heritage Center Foundation has \$10 million in matching funds from the Commonwealth of Pennsylvania to continue this project and the Foundation is ready to begin construction of the next phase of their project later this year subject to obtaining additional funds and grants. Does the Army support the mission of the Army Heritage and Education Center? Are the two facilities complimentary? What level of funding does the Army plan provide to contract with the Army Heritage Center Foundation for the continued development and expansion of the AHEC?

Answer. The Army remains totally committed to both the National Museum of the United States Army (NMUSA) at Fort Belvoir, Virginia, and the United States Army Heritage and Education Center (AHEC) at Carlisle Barracks, Pennsylvania, as equally invaluable complimentary institutions. The first round of construction on the AHEC, building an expansive, superbly designed state of the art archive, was altogether funded by the Army, ample testimony to the importance of the project to the Army. Federal funds have been identified for other aspects of the overall AHEC project, although much that remains to be built is to be built with private funds—as is also the case with the NMUSA. It is not true that the Army unilaterally distributed funds to the Army Historical Foundation to help them raise money for the Fort Belvoir site. Congress identified money for the Army Historical Foundation, and directed the Army to administer its distribution on the behalf of the federal government. We are happy to do so and would like to see a similar arrangement made for the Army Heritage Center Foundation. The Army is by law limited in the help it can offer private foundations without Congressional intervention. Both the NMUSA at Fort Belvoir and the AHEC at Carlisle Barracks are complex projects with multiple facilities to be built over time, with various mixes of federal and private funding. Those facilities to be built with federal funding are on track and reflect the Army's unwavering commitment to both the NMUSA and the AHEC. We would welcome whatever support Congress extends to both the Army Historical Foundation and the Army Heritage Center Foundation—or whatever direct support Congress allows the Army to extend.

QUESTIONS SUBMITTED BY SENATOR PETE V. DOMENICI

IMPROVISED EXPLOSIVE DEVICES

Question. One of the biggest dangers facing our troops in Iraq has been roadside explosives known as IEDs. They have disrupted our convoys and patrols, and they will likely continue to threaten the on-going rotation of troops in Iraq. The Army leads the Joint IED Defeat Task Force, which is working to find and destroy these home-made bombs.

Does the Army have the authorities it needs to get existing technologies in the hands of our troops to better detect these bombs?

If not, what authorities do you need?

What successes have you had with this task force?

How is the task force finding, testing, and deploying new technologies?

Answer. Mr. Chairman, I have asked the Director, Joint IED Defeat Organization (JIEDDO) to respond to your concerns.

SCIENCE AND TECHNOLOGY (S&T) INVESTMENTS

Question. Would you please comment on the importance of basic S&T investments for transformation?

Answer. The goal of the Army Science and Technology (S&T) program is to achieve transformational capabilities that will enable the future force while pursuing opportunities to enhance current force capabilities. The U.S. Army's single largest S&T investment focuses on enabling technologies to field the initial Future Combat Systems Brigade Combat Team and follow-on technology insertions.

Question. Does the Army have the funding it needs to invest in basic science and technology?

Answer. With the Army fully engaged in the Global War on Terror, we are challenged to satisfy the resource demands to sustain current operations while simultaneously maintaining our S&T investments in the most important technologies to enable capabilities for the future modular force. However, the Army S&T program is funded consistent with the ability to mature technologies synchronized with funding resources we are provided to execute our acquisition programs.

FUTURE COMBAT SYSTEM (FCS)

Question. Can you comment on what types of project will be tested at White Sands?

Answer. The currently approved FCS test and evaluation master plan details the categories of testing currently planned to be conducted at the U.S. Army White Sands Missile Range (WSMR). All categories of equipment and systems in the FCS program will be tested at White Sands, to include manned combat and support vehicles, unmanned ground and aerial vehicles, sensors, and networking components. Within these categories, all of the FCS Platforms/systems will be tested as individual systems and in a system of systems environment. There are also 52 complimentary programs which will also participate in FCS system of system level testing at WSMR. These include weapon systems, vehicles, sensors, and communication systems. The specific categories of testing includes: component level specialty testing utilizing WSMR unique test capabilities; field experiments, which serve as program risk reduction efforts; Spin-Out Capability Testing for the Current Forces, which will begin to integrate FCS technologies into the current force; System of System Testing for the FCS BCT; and finally, system level Integrated Qualification Testing.

Question. Do you know how much FCS testing will be conducted at White Sands?

Answer. Due to the unique size and location of White Sands, the Army envisions conducting almost all of the system-of-systems or unit level testing at White Sands ranges and the adjacent Fort Bliss ranges. This allows experimentation and testing in an environment that provides an operational setting close to that envisioned for some key employments of the FCS Brigade Combat Team (BCT). The FCS systems, system-of-systems, and BCT will be experimented with, and tested at all unit levels up to the brigade level at White Sands. Technical component system level testing will be conducted at White Sands within the construct of their capabilities, to include electromagnetics, software, and unmanned systems. This technical testing will be augmented by that conducted throughout the Army major range and test facility base infrastructure as appropriate, based on unique expertise and facilities. This testing will be conducted on a two-year integration phase cycle with increasing complexity as the FCS program matures.

Question. What does the Army need to coordinate work between Fort Bliss and White Sands Missile Range?

Answer. The development, training and testing of a FCS-equipped force is a significant task, but from a test/training event coordination perspective, it is one that is not dissimilar from other major Army exercises such as Roving Sands. These large-scale events were successful only as a result of the close communication and coordination between Fort Bliss and WSMR. With the large area of operations and its doctrinal employment, it is anticipated the fully capable FCS-equipped brigade in the SO4/initial operational test and evaluation timeframe will require the use of essentially 100 percent of the WSMR and Fort Bliss airspace and approximately 80 percent of the Fort Bliss land-space and 75 percent of the WSMR land space (in area and 100 percent in distance). Of course these are a function of the scenarios and development objectives, including disparately operating the FCS System of Systems across the required area of operations. Additionally, the FCS development will require integrated frequency management, scheduling, and ranges across WSMR and Fort Bliss, as well as portability of instrumentation test assets from WSMR and

Developmental Test Center (DTC). The WSMR and Fort Bliss have conducted regular interchanges in the past and continue to coordinate on emerging detailed requirements with an objective of establishing processes for integrated asset and operations support to the Army and the FCS development. This is simply an expansion of historical and on-going coordination and use of the combined capabilities. As an example, plans are being formulated to integrate airspace management and scheduling into the tri-service air traffic control center at WSMR to provide a regional airspace utilization operations capability for the Army (including FCS), Navy and Air Force RDT&E and training. Given all of this information and the associated coordination required, much work has already occurred between the two installations and the PM FCS (BCT) leadership. At this time, the Army does not anticipate any assistance required with coordination between the two installations and their respective organizations.

Question. What can White Sands Missile Range, Holloman Air Force Base, and New Mexico do to help the Army with FCS testing?

Answer. White Sands Missile Range can continue to support the Program Manager, FCS in the planning process and the execution of the FCS Testing in accordance with the current test and evaluation master plan. As the detailed test plans are developed, a more complete request for assistance may be provided.

Question. On a related note, what will the Army's decision to expand its presence at Fort Bliss mean in terms of growth and increased activity in New Mexico?

Answer. From a test perspective there will be a permanent presence established to support planning and resource development and coordination. The exact numbers of personnel are yet to be determined, but as indicated above, there will be personnel at WSMR by the summer of 2006. As each program test event is executed there will be a surge of effort to support, namely in personnel. These events will take place as discussed in the preceding paragraphs. Lastly, given the complexity of the FCS program and the magnitude of the test events, the surge in personnel supporting the test events will number in the 100s. With the central test control residing on WSMR and an aggressive test schedule over the next three years, it is likely this increase in personnel will provide a positive economic impact/growth to New Mexico.

QUESTIONS SUBMITTED BY SENATOR CONRAD BURNS

NATIONAL GUARD

Question. I fully support your goal of having a fully equipped and fully manned National Guard that is every bit as capable as its active component. Can you highlight your plan to transform the National Guard?

Answer. The Army National Guard (ARNG) is simultaneously transforming with the active component into the modular force design. This is important as it is the first step along the way to ensuring that all three components, active, Guard, and Reserve, are interoperable on the battlefield. It started with the acceleration of the ARNG's modular force conversion as approved by the Vice Chief of Staff of the Army on June 9, 2005. As approved, all brigade combat teams will complete organizational conversion by fiscal year 2008. But this action only addresses unit design and manning; it does not complete the equipping for those brigades. To make the ARNG as capable as the active component, a serious investment into its equipment modernization is required. To address longstanding equipment shortages, the Army has programmed \$21 billion from fiscal year 2005 through fiscal year 2011 for ARNG procurement to ensure that the ARNG is properly equipped to perform effectively as the Army's operational reserve. Additionally, the Army will leverage the Army Force Generation model to provide ARNG units a predictable time sequence for potential mobilization. This initiative has the benefit of focusing resources and training to ensure the readiness of those units that are scheduled for mobilization. Lastly, the restructuring of the ARNG is an important step to ensuring that the ARNG is properly manned. In the last couple of years, the Army, working with the ARNG, has eliminated its historical over-structure in order to align structure and manning within its authorized end strength of 350,000. These significant force structure adjustments and resource investments advance the Army's intent of ensuring every ARNG unit is fully equipped, fully trained, and fully manned.

SOLDIERS

Question. As I already mentioned, our troops on the ground are our focus. Can you discuss how your spiral development and fielding plan is getting new equipment and technologies to our soldiers as quickly as possible?

Answer. Nothing is more important than ensuring our Soldiers have the best equipment to accomplish their mission. The Army is adapting processes to rapidly enhance the capabilities of our units and Soldiers in the complex operational environments of Operations Iraqi Freedom and Enduring Freedom. This has the emphasis of all senior leaders and is an Army-wide, enterprise level effort.

We rapidly respond to capability requirements from the field and constantly assess and improve fielded equipment. Effective capability development is more than just inserting materiel solutions, and requires a holistic approach that includes the integration of training, sustainment, organizational, and doctrinal changes.

Army organizations have partnered to rapidly develop, assess and field capability to the force. Organizations such as the Army G3's Rapid Equipping Force, U.S. Army Training and Doctrine Command's Spiral Developments Division, U.S. Army Materiel Command's Research, Development and Engineering Command and the U.S. Army Test and Evaluation Command, have developed processes that support accelerated capability development. Other partners in this effort are the Assistant Secretary of the Army for Acquisition, Logistics and Technology; the Joint community; and Industry.

We have had successes in a number of areas particularly in the area of force protection. This has been done through the development and fielding of systems through route clearance companies consisting of vehicles such as the Buffalo and RG31, Counter-Remote-Controlled-IED Electronic Warfare systems (CREW), small robots such as PACKBOT, an Improved First Aid Kit (IFAK), an unmanned aerial vehicles and other Intelligence, Surveillance and Reconnaissance and command and control systems.

The efforts of these organizations have also produced a Counter Rocket, Artillery, Mortar (C-RAM) capability currently in use in theater, and training enhancements that ensure our Soldiers are better prepared for the asymmetric challenges in the current operational environment.

To better address the asymmetric challenges, the Army recently organized the Asymmetric Warfare Office, under the Army G3, to lead the effort in developing the necessary policy, programs, and resources to stay in front of these types of threats.

Our organizational and process changes are paying off. We are better able to quickly react to the changing battlefield, ensuring our Soldiers have the best equipment our nation can provide.

QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

WAR COSTS

Question. Prior to the U.S. invasion of Iraq, Pentagon officials, including Secretary Rumsfeld, estimated that the total cost of the Iraq War would not surpass \$50 to \$60 billion. As you know, to date, the cost of combat operations in Iraq has reached about \$250 billion, and that number could well surpass \$300 billion by the end of the year. Unfortunately, the Pentagon has not provided Congress any war funding estimates past fiscal year 2007.

First, in this age of rising budget deficits, can you provide this Committee any type of estimate of what level of future funding will be necessary from the Congress to appropriately pay for the costs of this ongoing war?

Answer. In the short term, we anticipate the costs of this ongoing war to remain at current levels. I cannot estimate future costs, which will be driven by the size of the coalition force in Iraq and the level and duration of the conflict. As the Iraqi forces accept increasing responsibility for the security of their country, our forces will withdraw and costs for military operations will decline accordingly. However, the Army will require funding to reset our force for an estimated two years beyond that timeframe.

Question. Why does the Administration continue to rely almost entirely on emergency supplementals to fund the war?

Answer. From the Army perspective, base budgeting requires a generally stable operational environment with predictable costs. That is not the case with our operations in Iraq. In addition, we anticipate significant changes in future funding requirements as we shift from an operational presence to resetting the force.

Question. Wouldn't you agree that the American taxpayers deserve to know up-front—through the regular base budget—the amount of money that is going to the war effort? Or do you believe it is fair to continue the reliance on this budget gimmickry?

Answer. The regular base budget provides comprehensive information on the costs to sustain America's Army across a generally stable period. The war effort is not

part of that base, but represents the added costs to fulfill our role in supporting the combatant commanders.

TRAINING OF IRAQI SECURITY FORCES

Question. Secretary of State Rice and Chairman of the Joint Chiefs of Staff, General Pace, have both suggested in recent days that it is likely that the military will drawdown troop levels sometime this year. Last fall General Casey, the top commander in Iraq, stated that a reduction in American troops would take “away an element that fuels the insurgency.” Does the Army plan to reduce its endstrength in Iraq this year? Next year?

Answer. In accordance with title 10 U.S. Code, the Army is charged with organizing, manning, training, and equipping a force capable of fulfilling current and future Secretary of Defense approved requirements of combatant commanders. Thus, the Army force scheduled to deploy in future rotations to Iraq is conditional upon periodic strategic and operational assessments from the Commander, U.S. Central Command (CENTCOM). The number and type of forces requested by the CENTCOM commander may fluctuate as the political, economic, and security conditions in Iraq and Afghanistan evolve over time.

Question. How do you think that a reduction in the number of American forces would affect the rise in sectarian violence in Iraq?

Answer. Senator, this question should be referred to the Commander, U.S. Central Command for response.

SUBCOMMITTEE RECESS

Senator INOUE. The subcommittee will reconvene tomorrow at 10 o'clock in the morning, when we will hear from the Department of the Air Force. And, until then, we'll stand in recess. And I thank you very much.

[Whereupon, at 3:33 p.m., Tuesday, March 28, the subcommittee was recessed, to reconvene at 10 a.m., Wednesday, March 29.]